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ABSTRACT

This report describes the role of parents in providing financial support for their financially dependent undergraduate children. It presents information on the extent to which parents provide their children with gifts, loans, and in-kind contributions; the amounts they provide; how the amounts compare with the expected family contributions determined by the student financial aid system; and the various types of savings and loan programs that parents use. The report used data from the 1986-87 National Postsecondary Student Aid Study to identify parents of 27,415 undergraduate students; these parents were sent questionnaires. Report highlights include the following: (1) 92 percent of financially dependent undergraduates received gifts (67 percent), loans (11 percent), or in-kind contributions (83 percent) from their parents, averaging $3,274; (2) white students were more likely to receive gifts than black students (70 percent versus 43 percent); (3) overall, 42 percent of the students had parents who saved to help them with their postsecondary education; (4) among the students whose parents saved, 46 percent had started when the student was in elementary school or before; (5) among students whose parents saved, 71 percent had set up accounts in the parents' names; and (6) only 14 percent of the students had parents who assumed one or more types of loans. The appendices contain technical notes and methodology and discussion of selected standard errors and unweighted Ns. (GLR)

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Research and Development Report May 1992

National Postsecondary Student Aid Study

Parental Financial Support for Undergraduate Education

Contractor Report

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May 1992

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Foreword

Student financial aid programs have played an important role in postsecondary education. Policy makers at the federal, state, and institutional levels need information on how students finance their postsecondary education. They also need information on how postsecondary student financial aid is packaged and distributed and how it impacts students, parents and postsecondary institutions. To meet this need, the National Center for Education Statistics in the Office of Educational Research and Improvement conducted the 1987 National Postsecondary Student Aid Study (NPSAS:87). Data were collected from postsecondary institutions, students, and parents on a representative sample of students enrolled in postsecondary institutions in the fall of 1986.

The purpose of this report is to describe the role that parents played in providing financial support for their financially dependent undergraduate children. It presents information on the extent to which parents provided their children with gifts, loans, and in-kind contributions; the amounts they provided; how the amounts provided compared with the expected family contributions determined by the student financial aid system; and the various types of savings and loan programs that parents used.

This report is the first on this topic in the Research and Development (R & D) Series. This series of reports has been initiated to accomplish a number of goals:

1) To share studies and research which are developmental in nature. The results of such studies are anticipated to be revised as the work continues and additional data become available.

2) To share studies which are, to some extent, on the "cutting-edge" of methodological developments. Emerging analytical approaches and new computer software development often permit new, and sometimes controversial, analysis to be done. By participating in "frontier research," we hope to contribute to the resolution of issues and improved analysis.

3) To participate in discussions of emerging issues of interest to educational researchers, statisticians, and the Federal statistical community in general. Such reports may document workshops and symposia sponsored by NCES to address methodological and analytical issues in addition to being a vehicle to share and discuss issues regarding NCES practice, procedures, and standards.

The common theme in all three goals is that these reports present results of discussions which do not reach definitive conclusions at this point in time, either because the data are tentative and methodology is new and developing, or the topic is one on which there are divergent views. Therefore the techniques and inferences made from the data are tentative and are subject to revision. To facilitate the process of closure on the issues, we invite comment, criticism and alternatives to what we have done. Such responses should be directed to:

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We would also like to acknowledge the helpful comments of the following reviewers: Nabeel Alsalam, David Bergeron, Robert Burton, Daniel Goldenberg, and Meredith Ludwig. Finally, we would like to thank Carl Schmitt, of the Longitudinal Studies Branch, who worked closely with us on this project.

Highlights

This report uses data from the 1986-87 National Postsecondary Student Aid Study (NPSAS:87) to describe the ways in which parents helped their financially dependent undergraduate children pay for their postsecondary education. It examines what kinds of help they provided and how the amount they provided compared to the expected family contribution as defined by the financial aid system. It also describes what sources of funds parents used and what specific kinds of savings and loan plans they used. Some of the major highlights are as follows:

- Ninety-two percent of financially dependent undergraduates received gifts, loans, or in-kind contributions from their parents: 75 percent received gifts or loans, 67 percent received gifts, 11 percent received loans, and 83 percent received in-kind contributions. The average gift was $3,902; the average loan was $2,732; and the average in-kind contribution was valued by parents at $3,187.

- White students were more likely than black students to receive gifts (70 percent compared with 43 percent) and received larger amounts on average ($4,096 compared with $2,141).

- Eighty-three percent of the students who attended private, nonprofit institutions received gifts or loans from their parents, compared with 73 percent of the students in public institutions and 63 percent of the students in private, for-profit institutions.

- Forty percent of all students received less than three-fourths of the amount of their expected family contribution from their parents, 22 percent received from 75 percent to 124 percent, and 38 percent received 125 percent or more.

- Among the students who received gifts or loans from their parents, more than three-quarters (79 percent) had parents who provided the gifts or loans from current income, and 65 percent had parents who used previously saved funds. Smaller percentages of the students who received gifts or loans had parents who assumed loans (24 percent) or took on additional work (30 percent).

- Overall, 42 percent of the students had parents who saved to help them with their postsecondary education: 11 percent had parents who had saved funds for educational use only, and 31 percent had parents who had saved not just for educational purposes.

- Among the students whose parents saved, almost half (46 percent) had parents who began saving when the student was in elementary school or before. For 44 percent, saving began in junior high or high school, and for 10 percent it began later.

- Among the students whose parents saved, most (71 percent) had parents who set up accounts in the parents' names. For 45 percent there was an account in the child's name, for 14 percent there was saving through a life insurance policy, and for 6 percent there was a trust fund.

- Only 14 percent of the students had parents who assumed one or more types of loans. Two percent had parents who took out federal PLUS loans, and 11 percent had parents who used other than federal, state, or institutional sources.

- The average amount for all loans assumed by parents was $3,986. The average PLUS loan was $2,387, and the average loan from other than federal, state, or institutional sources was $4,468.

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Chapter I

Introduction

Undergraduates rely on a variety of sources to finance their education, including scholarships and grants, loans, their own savings and earnings, and contributions from their parents, relatives, and friends. For financially dependent students, parental support is key. In fall 1986, 63 percent of all undergraduates were financially dependent on their parents. Eighty-seven percent of these students reported receiving financial help from their parents in the form of gifts, loans, and in-kind contributions such as food, housing, and transportation, for the 1986-87 school year.[1]

Little has been known, however, about the ways in which parents are actually contributing to help their children pay for postsecondary education—whether they are providing gifts, loans, or in-kind contributions, what sources of funds they use, and what specific kinds of savings and loan plans they set up. Information on these topics can help to inform those who debate about how much students and their parents should be expected to contribute toward the cost of their education and how much should be provided in the form of grants and loans.

The primary purpose of this report is to present a description of parental financial support provided to dependent undergraduate students for their postsecondary education. Parent-reported data were used to describe the types, amounts, and sources of financial support that parents provided. Student- and institution-reported data were merged with the parent data to examine how parental financial support varied with student and institutional characteristics.

Chapter II describes the extent of parental support: what percentages of parents provide various combinations of gifts, loans, and in-kind contributions. Chapter III examines the relationship between parent gifts and loans and expected contributions as determined by the financial aid system. Chapter IV examines how parents get the money they use to provide support: the extent to which they use current income, previously set aside funds, loans, and additional work. It also looks at saving and borrowing in some detail, including when parents started saving, what kinds of savings plans they set up, and what kinds of loans they assumed.

This report, which is part of the Research and Development Series, is descriptive. It does not attempt to explain differences among subgroups of students, parents, or institutions or to analyze the relationship between the use of different sources of funds and demographic or economic characteristics. For example, the report shows that older students were less likely than younger students to receive parental gifts, loans, or in-kind contributions (table II.1). However, it does not investigate the extent to which this was due to the type of institution attended, the amount of financial aid received, or any of a number of other factors that might affect parental contributions. A clear understanding of the complex relationships among income, cost of attending, financial aid, and the use of various sources of funds requires a multivariate analysis rather than simple crosstabulations. Ultimately, this report is designed to whet the appetite of researchers for more sophisticated analyses of these data.

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[1]Susan P. Choy and Antoinette Gifford, *Profile of Undergraduates in American Postsecondary Institutions*, Survey Report prepared for the U.S. Department of Education, National Center for Education Statistics (NCES) (Washington, D.C.: September 1990), 67, 73. Students enrolled in postsecondary education in 1986-87 were considered financially dependent if, in 1985 or 1986, they lived with their parents for six or more weeks, received $750 or more from their parent(s), or were claimed as a tax exemption on their parent(s)' federal income tax return.

The data from the National Postsecondary Student Aid Study (NPSAS:87) conducted in 1986-87 provide researchers with a unique opportunity to examine parental support in detail. As part of NPSAS:87, the parents of a subsample of 27,000 students were surveyed to collect information on education costs and financing and on family financial, educational, and employment characteristics.[2] Because institutional records do not include information on the family finances of students who do not receive financial aid, a major objective of the parent survey was to collect this information for unaided, dependent students.

The estimates presented in this report are based upon data collected from financially dependent students who were undergraduates in the fall of 1986. Only data from students who responded to the Student Questionnaire and whose parents responded have been used to generate these estimates. Appendix A contains more information on the NPSAS:87 survey and the parent survey component.

It is important to keep in mind when reading this report that the sample for the NPSAS parent survey did not represent the parents of all college students. Parents of independent students who were 25 years or older were not included, because the survey was designed to provide supplemental data on family financial information for the types of students most likely to rely on their families for financial help with their postsecondary education. Also, the NPSAS survey is not representative of all students enrolled during the 1986-87 academic year. Rather the survey sample represents all postsecondary students enrolled on October 15, 1986. Students who enrolled later in the academic year or in short-term programs not in progress on October 15 were not included and therefore not represented.

Moreover, the sample was not representative of all parents of college students, because the parent sample is tied to the student population, not the parent population. A sample claiming to be representative of all parents of college students would have to take into account the fact that some parents have more than one child enrolled in postsecondary education at a given time. Thus, it is necessary in this report to say, for example, "79 percent of dependent students had parents who used current income to provide support," rather than "79 percent of parents used current income to provide support."

Finally, it must be noted that the results presented in this report are somewhat problematic due to difficulties encountered in generating weights and in the response rates for the sample used in the analysis. (The overall response rates, although they cannot be calculated, are believed to be lower than are normally considered acceptable for NCES surveys.) Because of these problems, some validation of student-based items was conducted by comparing the distribution of the analysis sample with the distribution of the full sample. A detailed discussion of the validation procedure is presented in Appendix A.

All differences described in this report are statistically significant at the 0.05 level using a two-tailed Student's t test. Where multiple comparisons were involved (for example, among income groups), a Bonferroni adjustment was made. The statistical procedures used in this report are described in detail in Appendix A, Technical Notes. Not all statistically significant findings are reported. To keep the report to a reasonable size, discussion was limited to differences that were most striking and of most interest to the general reader.

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[2]Parents of financially independent students over 25 years old were not included in the sample.

Chapter II

Gifts, Loans, and In-Kind Contributions

Parents may help their children meet the cost of their education through one or more of three types of support: gifts, loans, and in-kind contributions. Gifts are funds that parents give to their children or pay to the postsecondary institution for their children's tuition, housing, or other expenses. Loans are funds that parents provide to their children expecting that they will be paid back, with the terms and conditions left entirely up to the individual family. Consequently, the possible arrangements are virtually limitless and could, for example, range from a long-term, low- or no-interest loan with an indefinite repayment schedule to a short-term loan to cover an emergency or unexpected expense. In-kind contributions are non-cash items that parents provide, such as food, housing, clothing, transportation, and other items.

Parents were asked if they had given or lent their children any money to help meet their school expenses for the current school year and, if so, how much. They were also asked if, in addition to any direct monetary support, they had helped pay for their child's car or other transportation or if they had provided their child with food, housing, the use of charge cards, or clothing or other support. Parents were asked to estimate a total dollar amount for these in-kind contributions (that is, what it would have cost the child to purchase this support).

According to the information provided by parents, 92 percent of the students received gifts, loans, or in-kind contributions from their parents, while 75 percent received only gifts or loans (figure II.1 and table II.1).[3] Students were more likely to receive gifts than loans from their parents: 67 percent of students received gifts, but only 11 percent received loans. Eighty-three percent received in-kind contributions. For the students who received gifts or loans, the gifts and loans combined averaged $4,239; for those who received gifts, the average gift was $3,902; and for those who received loans, the average loan was $2,732. The average in-kind contribution (for those who received in-kind contributions) was $3,187—smaller than the average gift, but larger than the average loan.

The rest of this chapter examines how the types and average amounts of parental contributions vary with the characteristics of the students and their parents and the institutions that the students attended. This chapter focuses on parents' gifts and loans to their children. Although parents were asked to estimate the dollar value of their in-kind contributions, it is hard to be confident that they did so consistently. In many cases their estimates far exceeded the cost of attending. A single large donation (a car or a trip, for example) could explain this pattern in some cases, especially if the cost of attending were low. In others, parents might simply have estimated the value of their in-kind contributions very generously.

It is important to keep in mind that the tables in this report show relationships between only pairs of variables and that these relationships do not tell the whole story. For example, the amount that parents give a child is likely to depend on numerous factors, including the parents'

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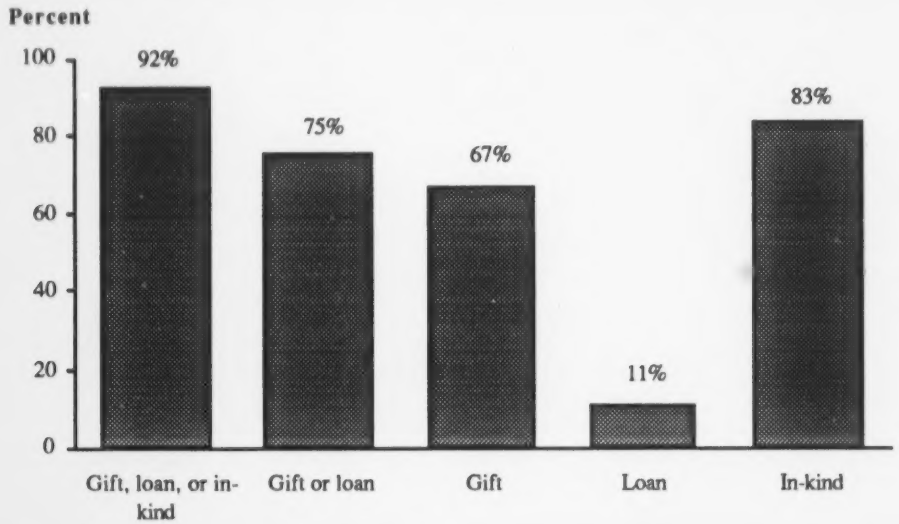
[3]The 92 percent reported by the parents is slightly higher than the 87 percent reported by students (Chapter I, first paragraph). Parents may have remembered contributions that students did not. The discrepancy may also be due partly to the fact that the samples are different—the student-reported data are based on all dependent students, whereas the parent-reported data are based on a subsample of students.

Figure II.1--Percentage of dependent students receiving parental support, by type of support: Fall 1986



NOTE: These categories are not mutually exclusive.
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

resources, the cost of attending the postsecondary institution chosen, the length of the program, students' own earnings, financial aid awarded, parents' other financial obligations (including the number of other children in postsecondary education), and the parents' personal opinions about what amounts are appropriate to give, lend, and expect the student to provide himself or herself. As a result, the relationship between two variables may not be as strong as one might expect, or even in the direction expected.

Student Characteristics

Demographic

As expected, younger students were more likely than older students to receive assistance from their parents. Students who were 19 years or younger were more likely than all other students to receive gift or loan support from their parents; students 20-23 years old were more likely to receive support than were students 24 years or older. Moreover, the amounts of gift or loan support that students received decreased as age increased. Students 19 years or younger and students 20-21 years old received larger amounts in gifts or loans ($4,310 and $4,617, respectively) than did students 22-23 years old or students 24 years or older ($3,276 and $3,223). Amounts received in gifts varied among the age groups in the same way, although the amounts that parents loaned students did not vary with student age.

Table II.1--Percentage of dependent students receiving parental support and average amount of support, by type of support and selected student demographic characteristics: Fall 1986

	Gift, loan, or in-kind	Gift or loan	Gift	Loan	In-kind
	Percentage of students receiving support				
Total	91.9	74.5	66.9	11.0	83.4
Sex					
Male	92.4	75.0	67.6	11.0	83.9
Female	91.4	74.1	66.2	11.0	83.0
Race-ethnicity					
Native American	90.6	59.7	54.9	7.6	88.4
Asian	90.3	71.5	61.9	19.1	77.2
Black	78.9	55.8	43.4	8.2	72.1
Hispanic	88.4	68.3	59.9	13.4	76.9
White	93.5	77.2	70.2	10.7	85.3
Age					
19 years or younger	94.6	81.1	73.1	11.7	87.1
20-21 years	94.1	75.6	69.0	11.2	85.4
22-23 years	89.9	70.1	61.3	10.2	78.0
24 years or older	70.1	41.0	32.6	7.4	64.1
Marital status					
Married	72.3	59.9	51.7	4.0	61.3
Single	92.6	75.1	67.5	11.3	84.3
	*Average amount of support**				
Total	$6,230	$4,239	$3,902	$2,732	$3,187
Sex					
Male	6,159	4,219	3,889	2,550	3,135
Female	6,298	4,257	3,914	2,905	3,237
Race-ethnicity					
Native American	2,986	—	—	—	1,790
Asian	6,508	4,287	3,596	3,034	3,541
Black	4,679	2,371	2,141	1,625	3,479
Hispanic	5,828	3,501	3,056	2,242	3,550
White	6,413	4,418	4,096	2,847	3,141
Age					
19 years or younger	6,578	4,310	3,972	2,846	3,260
20-21 years	6,421	4,617	4,252	2,834	3,090
22-23 years	5,285	3,276	2,984	2,312	3,176
24 years or older	4,658	3,223	2,946	2,119	3,235
Marital status					
Married	4,386	2,179	2,063	—	3,031
Single	6,285	4,301	3,957	2,737	3,192

—Too few cases for a reliable estimate.

*In computing the average for each type of support, only parents who provided that type of support were included. For some types of support, there were too few cases for a reliable estimate. However, there are corresponding percentages for those cells in the top half of the table, because the number of students whose parents reported whether or not they provided each type of support was large enough for a reliable estimate.

NOTE: These categories are not mutually exclusive.

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Parental contributions varied by students' race-ethnicity. Seventy-seven percent of white students received gift or loan support from their parents, whereas only 56 percent of black students did. White students were more likely than black students to receive gift support: among white students, 70 percent received gifts, compared with 43 percent of black students. Black students received lower average dollar amounts in gifts and loans from their parents ($2,371) than did Asian or white students (who received $4,287 and $4,418, respectively). This same pattern held for gifts alone, but not for loans alone: black students received lower loan amounts than white students, but not lower amounts than Hispanic or Asian students.[4]

Enrollment

Full-time, full-year students were more likely to receive gifts or loans from their parents than part-time, full-year, or part-year students (80 percent compared with 62 percent and 61 percent) (table II.2). Moreover, full-time students received larger average amounts of gifts and loans from their parents ($4,710) than did part-time, full-year students ($2,797) or part-year students ($2,522).[5]

Although students were equally likely to receive support from their parents regardless of the number of years of postsecondary education they had completed, first-year students received lower amounts of gifts and loans than did third- or fourth-year students ($3,832 for first-year students, compared with $4,668 for third-year students and $4,662 for fourth-year students). These variations reflect differences in gift support rather than in loans from parents. Parents may provide more on average in the later years because 2-year institutions are included in these averages and 2-year institutions tend to be less costly to attend.

Receipt of gifts and loans generally increased with students' degree expectations. For example, only 62 percent of students who expected to complete vocational training and 60 percent who expected to attend college without earning a degree received gifts or loans from their parents. In contrast, 76 percent of the students who expected to complete a bachelor's degree, 79 percent of those who expected to complete a master's degree, and 78 percent of those who expected to complete a Ph.D. or advanced professional degree received gifts or loans from their parents. The gift contributions that students received from their parents varied similarly: students who did not expect to complete a bachelor's degree were significantly less likely to receive gift support from their parents than were students who expected to receive undergraduate or graduate degrees. On the other hand, students not expecting to complete college were just as likely to receive loans from their parents as were students with higher educational expectations.

The average amounts of gifts and loans that students received from their parents varied in a manner that was slightly different from the percentages of students who received gifts and loans. Students in vocational education programs and those who expected to attend but not to complete college received less in gifts and loans on average ($3,203 and $2,580, respectively) than did students who expected to complete a master's degree ($4,842) or a Ph.D. or an advanced

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[4]Without controlling for families' socioeconomic status, the meaning of these statistics is unclear. It is quite likely that some of the differences among the racial-ethnic groups reflect income variations rather than ethnic-cultural ones.

[5]A 1984 study of California undergraduates also found that full-time, dependent students were more likely to receive parental support and received more support on average from parents than part-time, dependent students. See California Postsecondary Education Commission, *Meeting the Costs of Attending College: A Staff Analysis of*

Table II.2--Percentage of dependent students receiving parental support and average amount of support, by type of support and selected student enrollment characteristics: Fall 1986

	Gift, loan, or in-kind	Gift or loan	Gift	Loan	In-kind
	Percentage of students receiving support				
Attendance status					
Full-time, full-year	94.8	79.9	73.0	12.2	86.6
Part-time, full-year	85.0	62.4	53.1	8.8	76.8
Part-year	84.6	60.9	51.2	7.3	74.5
Enrollment status					
1st year	92.0	74.5	66.5	12.1	83.4
2nd year	91.7	74.5	66.7	10.5	83.8
3rd year	93.0	77.6	70.5	12.2	85.3
4th or 5th year	94.2	75.7	68.4	8.2	84.6
Level expect to complete					
Vocational	84.9	62.4	53.4	14.8	75.7
Some college	86.4	59.8	49.7	11.7	76.6
4- or 5-yr. degree	93.2	75.5	68.5	11.1	85.6
Master's degree	93.1	79.2	71.9	10.0	84.4
PhD or adv. prof.	92.1	77.9	69.6	12.0	82.7
	*Average amount of support**				
Attendance status					
Full-time, full-year	$6,717	$4,710	$4,322	$2,992	$3,138
Part-time, full-year	5,119	2,797	2,603	1,758	3,415
Part-year	4,631	2,522	2,349	1,829	3,228
Enrollment status					
1st year	5,948	3,832	3,519	2,513	3,251
2nd year	6,336	4,277	3,891	2,868	3,258
3rd year	6,603	4,668	4,291	3,038	3,015
4th or 5th year	6,441	4,662	4,396	2,811	3,152
Level expect to complete					
Vocational	5,232	3,203	2,767	2,114	3,285
Some college	4,873	2,580	2,261	1,945	3,511
4- or 5-yr. degree	5,819	3,852	3,531	2,700	3,028
Master's degree	6,865	4,842	4,520	2,848	3,153
PhD or adv. prof.	7,697	5,538	5,060	3,448	3,595

*In computing the average for each type of support, only parents who provided that type of support were included.
NOTE: These categories are not mutually exclusive.
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

the Demographic Characteristics and Financial Circumstances of California Undergraduates (Sacramento, CA: 1984), 52-54.

professional degree ($5,538). Students who expected to attend but not complete college received less in gifts and loans, on average, ($2,580) than did students who expected to earn bachelor's degrees ($3,852). Students who expected to receive bachelor's degrees received lower average amounts of financial support than the average received by students who expected to complete a master's degree, or a Ph.D. or other advanced degrees. These data indicate, therefore, that the amounts of gifts and loans that students received from their parents increased, to some degree, according to students' educational aspirations.[6]

Financial Aid Status

As would be expected with a financial aid system that is primarily need-based, students who received financial aid were less likely than those who did not receive aid to receive gifts or loans from their parents (72 percent compared with 77 percent). They also received lower amounts on average ($3,773 compared with $4,667) (table II.3). This difference reflected differences in the amounts of both gifts and loans that students received.

The proportion of students who received parental financial support varied with the type of financial aid that students received through their institutions. Eighty-five percent of students whose only financial aid consisted of loans received gifts or loans from their parents, compared with 71 percent of students who received grant and loan aid and 65 percent of students who received grants only. The average amounts of support students received from their parents varied similarly. Students with only loans received a larger average amount in gifts or loans from their parents ($4,754) than did students who received both grants and loans ($3,446) or only grants ($3,433).

Students receiving the most financial aid were the most likely to receive gifts or loans from their parents. Ninety-two percent of students who received $10,000 or more in financial aid received gifts or loans from their parents. In contrast, the percentages of students receiving gifts or loans ranged between 65 percent and 74 percent for students in the aid categories of less than $10,000. The average amounts that parents gave or loaned, however, did not vary systematically with the amounts of financial aid that students received.

Parent Characteristics

Demographic

Students whose parents were married were more likely than those whose parents were single to receive gifts and loans, and they received more support, on average. Eighty percent of students whose parents were married received some form of parental support, compared with 58 percent of students whose parents were single (table II.4). Students whose parents were married received more of all three types of parental support, on average, and received substantially larger gift contributions: students received an average $4,115 in gifts from married parents and $2,593 from single parents.

A greater percentage of students whose parents had one other child in postsecondary education than those with parents who had no other children in postsecondary education received

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[6] These findings agree with those of L. L. Leslie, "Changing Patterns in Student Financing of Higher Education," *Journal of Higher Education* 55 (3) (May/June 1984): 313-346.

Table II.3--Percentage of dependent students receiving parental support and average amount of support by type of support and student financial aid status: Fall 1986

	Gift, loan, or in-kind	Gift or loan	Gift	Loan	In-kind
	Percentage of students receiving support				
Received any aid					
Yes	91.2	71.6	64.6	10.9	84.1
No	92.5	77.4	69.2	11.0	82.8
Type of aid					
No grants or loans	87.2	75.0	70.4	10.6	77.9
Grants only	91.4	64.9	58.0	9.7	84.8
Loans only	96.1	85.2	75.3	13.5	90.7
Grants and loans	89.8	70.9	64.5	11.1	81.9
Aid amount					
Less than $1,000	90.9	74.2	67.3	9.3	83.0
$1,000-$2,499	93.1	65.2	56.9	10.2	87.0
$2,500-$4,999	89.3	72.3	66.7	10.2	83.3
$5,000-$9,999	91.1	71.8	64.5	14.2	84.3
$10,000 or more	98.0	91.7	81.8	15.2	75.8
	*Average amount of support**				
Received any aid					
Yes	$5,369	$3,773	$3,468	$2,362	$2,723
No	7,075	4,667	4,302	3,095	3,653
Type of aid					
No grants or loans	6,421	4,020	3,817	2,021	3,351
Grants only	4,841	3,433	3,174	2,125	2,684
Loans only	7,064	4,754	4,451	2,950	3,141
Grants and loans	4,770	3,446	3,083	2,316	2,380
Aid amount					
Less than $1,000	5,704	3,392	3,228	2,386	3,285
$1,000-$2,499	5,123	3,819	3,532	1,795	2,780
$2,500-$4,999	5,592	3,998	3,619	2,944	2,628
$5,000-$9,999	4,896	3,802	3,466	2,214	2,181
$10,000 or more	5,453	3,368	3,032	—	2,963

*In computing the average for each type of support, only parents who provided that type of support were included. For some types of support, there were too few cases for a reliable estimate. However, there are corresponding percentages for those cells in the top half of the table, because the number of students whose parents reported whether or not they provided each type of support was large enough for a reliable estimate.

NOTE: These categories are not mutually exclusive.

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

gifts from their parents (76 percent of students compared with 65 percent). Neither the percentages of students who received other forms of support nor the amounts of support that students received varied with the number of siblings also enrolled in postsecondary education.

Students whose parents had high incomes were more likely than students whose parents had low incomes to receive parental gifts or loans. For example, more than 90 percent of the students from families in the income categories that were greater than $50,000 annually received

gifts or loans, whereas only 51 percent of students whose parents' income was less than $12,000 per year received parental gifts or loans. The effect of parents' income was most evident in the percentages of students receiving gifts: 43 percent of the students whose parents were in the less than $12,000 income category received gifts from their parents, which was significantly lower than the percentages who received gifts in all other income categories except the $12,000–23,999 category, where it was 56 percent. However, the percentages of students who received loans from their parents did not vary systematically with parental income.

The average amounts that students received from their parents in gifts or loans also tended to increase with parental income levels (figure II.2). For example, students whose parents' income was $75,000 or more received larger amounts of money in gifts and loans than students whose parents' income fell in any other income category, and students whose parents' income was between $50,000 and $74,999 received more than students whose parents' income fell in the lower income categories.

The percentages of students who received parental support also increased with the level of parental assets. For example, 55 percent of students whose parents' assets were less than $10,000 received gifts or loans from their parents, compared with 71 percent of students whose parents' assets were $10,000-$24,999, 74 percent of those whose parents' assets were $25,000-$49,999, and 83 percent of those whose parents' assets were $50,000 or more. Students whose parents' assets were more than $50,000 received much larger gifts and loans, on average ($4,897 compared with less than $3,000 for students whose parents' assets were less than $50,000).

Students who came from families in which one parent was employed were more likely than those with no employed parents to receive gifts (69 percent compared with 55 percent). Similarly, students who had two employed parents were more likely than those with only one employed parent to receive gifts from their parents (76 percent compared with 69 percent). Parents' employment status was not related to their tendency to loan funds. The average amount of gift assistance that students received from their parents varied in a slightly different way. Students who had one or two employed parents received larger amounts of gift assistance on average ($4,237 and $4,118, respectively) than did students who came from families in which neither parent was employed ($2,964). The average amount of money that students received from their parents in loans did not vary with parents' employment status.

The proportion of students who received support and the amount of parental support that students received also varied with the type of support that parents provided. Sixty-eight percent of the students whose parents did not support them with gifts or loans did provide in-kind support. Students who received only gifts received larger amount from their parents on average ($3,977) than did students who received only loans ($2,037). Students who received only gift contributions received more money in gifts on average ($3,977) than did students who received both gifts and loans ($3,430).

Institutional Characteristics

Institutions were differentiated from each other according to the control of the institution and according to the level of programs offered to its students. Institutions fell into one of three institutional control categories: public; private, nonprofit; and private, for-profit. Institutions were also separated by levels, according to the length and kind of programs they offered, and fell into four categories: less-than-2-year, 2-3-year, 4-year institutions that did not offer doctoral degrees, and 4-year institutions that did offer doctorates. The kinds and amount of support that students received from their parents varied with both the control and level of the institutions that students attended.

Table II.4--Percentage of dependent students receiving parental support and average amount of support, by type of support and selected parent characteristics: Fall 1986

	Gift, loan, or in-kind	Gift or loan	Gift	Loan	In-kind
	Percentage of students receiving support				
Marital status					
Single	86.5	58.0	49.6	9.8	78.2
Married	94.6	79.6	72.0	11.4	86.0
Other children in postsecondary education					
None	91.1	73.9	65.4	10.0	81.9
One	95.9	78.7	75.6	16.5	92.7
Two or more	95.4	73.9	70.7	14.1	86.7
Income					
Less than $12,000	83.6	50.5	42.6	10.1	75.8
$12,000-$23,999	90.6	64.2	55.7	8.8	81.8
$24,000-$29,999	94.6	71.8	65.0	10.1	87.6
$30,000-$49,999	96.6	83.0	77.1	14.6	90.1
$50,000-$74,999	97.8	90.7	85.9	13.1	92.5
$75,000-$99,999	98.9	94.3	88.3	11.4	92.8
$100,000 or more	96.9	90.9	86.0	8.0	91.1
Assets					
Less than $10,000	80.2	55.0	45.5	7.6	65.6
$10,000-$24,999	91.6	70.8	64.4	9.5	85.4
$25,000-$49,999	93.5	73.7	63.4	13.7	84.1
$50,000 or more	96.2	83.0	76.7	10.6	89.3
Employment					
Both employed	95.8	82.5	75.6	11.6	87.7
Neither employed	86.8	65.9	55.3	17.1	76.0
One employed	94.7	76.4	68.5	10.6	86.4
Type of parental support for student					
No gift or loan	68.0	0.0	0.0	0.0	68.0
Gifts only	100.0	100.0	100.0	0.0	91.0
Loans only	100.0	100.0	0.0	100.0	87.9
Gifts and loans	100.0	100.0	100.0	100.0	94.0
Level of support (without in-kind)					
Less than $500	100.0	100.0	95.1	10.2	85.0
$500-$2,999	100.0	100.0	96.0	14.6	90.4
$3,000-$7,499	100.0	100.0	98.6	15.0	93.2
$7,500-$9,999	100.0	100.0	99.6	21.7	94.7
$10,000 or more	100.0	100.0	99.8	26.0	92.4

Table II.4--Percentage of dependent students receiving parental support and average amount of support, by type of support and selected parent characteristics: Fall 1986–continued

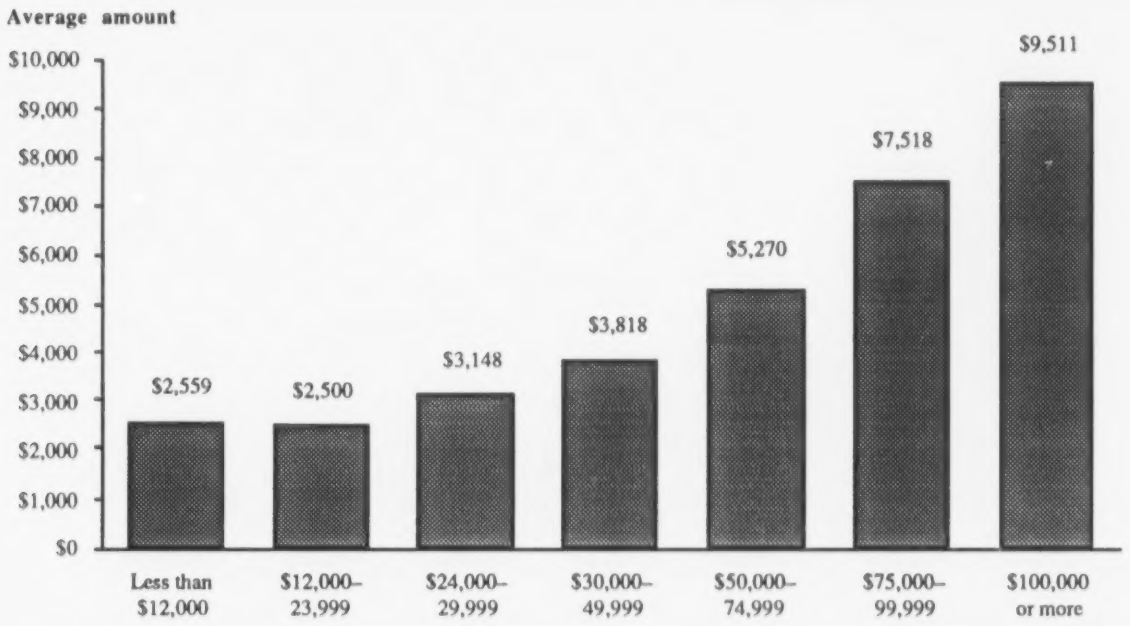
	Gift, loan, or in-kind	Gift or loan	Gift	Loan	In-kind
			*Average amount of support**		
Marital status					
Single	$4,498	$2,923	$2,593	$2,114	$2,850
Married	6,570	4,452	4,115	2,857	3,236
Other children in postsecondary education					
None	6,163	4,086	3,798	2,655	3,285
One	6,597	4,933	4,400	2,845	2,703
Two or more	6,328	4,880	4,211	3,537	2,901
Income					
Less than $12,000	3,725	2,559	2,203	1,931	2,519
$12,000-$23,999	4,187	2,500	2,329	1,606	2,727
$24,000-$29,999	5,364	3,148	2,918	1,865	3,314
$30,000-$49,999	6,142	3,818	3,409	2,737	3,152
$50,000-$74,999	8,091	5,270	4,903	3,361	3,470
$75,000-$99,999	10,072	7,518	7,001	4,876	3,453
$100,000 or more	12,457	9,511	8,812	7,468	4,118
Assets					
Less than $10,000	4,219	3,055	2,767	2,202	2,588
$10,000-$24,999	4,645	2,699	2,372	2,862	2,855
$25,000-$49,999	4,968	3,248	2,956	1,839	2,817
$50,000 or more	7,337	4,897	4,558	3,261	3,491
Employment					
Both employed	6,659	4,453	4,118	2,839	3,213
Neither employed	5,284	3,570	2,964	2,747	3,145
One employed	6,591	4,560	4,237	2,906	3,323
Type of parental support for student					
No gift or loan	2,756	—	—	—	2,756
Gifts only	6,976	3,977	3,977	—	3,297
Loans only	4,487	2,037	—	2,037	2,787
Gifts and loans	9,119	6,291	3,430	2,865	3,010
Level of support (without in-kind)					
Less than $500	2,265	280	272	206	2,335
$500-$2,999	4,242	1,483	1,406	918	3,054
$3,000-$7,499	7,838	4,674	4,376	2,405	3,393
$7,500-$9,999	11,535	8,421	7,665	3,650	3,287
$10,000 or more	17,782	14,006	12,073	7,516	4,087

—Too few cases for a reliable estimate.

*In computing the average for each type of support, only parents who provided that type of support were included. For some types of support, there were too few cases for a reliable estimate. However, there are corresponding percentages for those cells in the top half of the table, because the number of students whose parents reported whether or not they provided each type of support was large enough for a reliable estimate.

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Figure II.2--Average amount of parental gifts and loans received by dependent students, by parent income: Fall 1986



SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Students who attended private, nonprofit institutions were more likely than students who attended public institutions or private, for-profit institutions to receive gift contributions from their parents. Seventy-eight percent of students in private, nonprofit institutions received gifts, compared with 64 percent of the students in public institutions and 57 percent of students in private, for-profit institutions (table II.5). The percentage of students who received loans from their parents did not vary with the type of institutions that the students attended.

The average amounts of gifts and loans that students received followed this same pattern. Students in private, nonprofit institutions received an average of $7,048 in gifts and loans from their parents, compared with $3,282 for students in public institutions and $3,401 for students in private, for-profit institutions. This difference also reflects the difference between the amounts that students in public and private, nonprofit institutions received from their parents in loans. Students in public institutions received an average of $2,221 in loans from their parents, compared with an average of $4,132 received by students in private, nonprofit institutions.

Compared with students in less-than-4-year institutions, students in 4-year institutions were more likely to receive financial support from their parents and generally received higher amounts of support. Students who attended 4-year institutions that offered a Ph.D. degree were most likely to receive gift or loan support from their parents (84 percent), followed by students who attended 4-year institutions that did not offer a Ph.D. (77 percent), and then by students who attended institutions with programs that were less than 4 years in duration (63 percent in 2 to 3-year institutions and 60 percent in less than 2-year institutions). Although students in all

levels of institutions were equally likely to receive loans from parents, students in 4-year institutions were more likely to receive gift support than were students in non-4-year institutions. The average amounts of gift and loan support that students received varied as well. Students in 4-year institutions received larger amounts in gifts and loans on average ($4,800 in non-Ph.D.-granting 4-year institutions and $5,169 in 4-year Ph.D.-granting institutions) than did students in less-than-2-year institutions ($2,995), who received more than did students in 2 to 3-year institutions ($2,195).

The percentages of students receiving gifts or loans from their parents increased with the costs of attending. For example, 63 percent of students attending institutions with annual costs of less than $1,500 received parental gifts or loans, compared with 78 percent of students attending institutions with cost of $3,000-$5,999 and 90 percent of students attending institutions with costs of $10,000 or more. These variations reflect differences in parental gift support: 53 percent of students in the less than $1,500 cost category, 70 percent of students in the $3,000-$5,999 category, and 85 percent in the $10,000 or more category received parental gifts.

The average amounts of support that students received also increased with the costs of their education (figure II.3). Beginning with students attending institutions in the $1,500-$2,999 cost category, students attending institutions in each successive cost category received larger average amounts of support in gifts and loans from their parents than did students attending institutions in the previous cost categories. Students enrolled in institutions with annual costs of more than $10,000 received an average of $7,546 in parental gifts.

Summary

Almost all (92 percent) of financially dependent undergraduates received gifts, loans, or in-kind contributions from their parents. The form was more likely to be gifts than loans (67 percent compared with 11 percent). The likelihood of receiving assistance and the average amount received varied with both student and parent characteristics. White students were more likely than black students to receive gifts and to receive larger amounts on average. Younger students were more likely than older students to receive assistance from their parents. Students who expected to receive bachelor's or graduate degrees were more likely than students who did not expect to earn a bachelor's degree to receive gift support from their parents. Parental characteristics associated with students' being more likely to receive gifts or loans were being married, both employed, one other child enrolled in postsecondary education, high incomes, and sizable assets.

Table II.5--Percentage of dependent students receiving parental support and average amount of support, by type of support and selected institutional characteristics: Fall 1986

	Gift, loan, or in-kind	Gift or loan	Gift	Loan	In-kind
	Percentage of students receiving support				
Control					
Public	91.4	72.8	64.1	10.4	83.2
Private, nonprofit	94.8	82.7	77.9	12.3	86.2
Private, for-profit	84.8	62.7	57.2	14.2	72.7
Level					
Less-than-2-year	83.8	60.0	50.8	16.0	70.3
2 to 3 years	88.1	62.8	54.0	10.3	79.6
4 years, no PhD	93.4	77.1	71.6	10.4	86.0
4 years, PhD	94.5	83.6	75.4	11.6	85.7
Cost of attending					
Less than $1,500	86.0	62.5	52.8	8.2	76.4
$1,500-$2,999	90.1	69.3	62.2	9.4	82.8
$3,000-$5,999	94.8	77.5	69.7	12.0	85.6
$6,000-$9,999	93.8	81.0	73.2	13.5	87.1
$10,000 or more	96.7	89.8	85.0	13.0	87.4
	*Average amount of support**				
Control					
Public	$5,459	$3,282	$3,022	$2,221	$3,202
Private, nonprofit	8,838	7,048	6,478	4,132	3,137
Private, for-profit	5,269	3,401	2,826	2,980	3,194
Level					
Less-than-2-year	4,592	2,995	2,514	2,065	2,985
2 to 3 years	4,879	2,195	1,954	1,842	3,675
4 years, no PhD	6,608	4,800	4,397	3,256	2,993
4 years, PhD	7,116	5,169	4,788	3,109	2,972
Cost of attending					
Less than $1,500	4,537	1,951	1,787	1,456	3,471
$1,500-$2,999	5,656	3,129	2,891	2,248	3,551
$3,000-$5,999	5,512	3,644	3,330	2,455	2,913
$6,000-$9,999	7,332	5,422	5,038	2,886	3,091
$10,000 or more	10,239	8,294	7,546	5,273	2,995

*In computing the average for each type of support, only parents who provided that type of support were included.
NOTE: These categories are not mutually exclusive.
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

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Figure II.3--Average amount received by dependent students in gifts and loans from parents, by cost of attending: Fall 1986

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Chapter III

Parental Gifts and Loans Compared with Expected Family Contributions

When postsecondary institutions determine a student's need for financial aid, they start by calculating a budget that takes into account a student's direct educational expenses (tuition, fees, supplies) and reasonable personal living expenses (room; board; personal expenses, such as clothing, laundry, recreation, and health care; transportation; and any special items the student requires such as child care or special equipment due to a handicapping condition). They also calculate the family's ability to contribute to the student's cost of attending from its income and assets, including the student's savings and income (defined as the "expected family contribution").[7] The difference between the budget and the expected family contribution is the student's need for financial aid. However, families are not *required* to make this contribution as a condition of the financial aid award. The expected family contribution is simply an amount used to calculate the size of the award.

Because the ability and willingness of families to provide support vary, and because students' expected contributions are included in the expected family contributions, parents' actual contributions can differ from the expected family contributions. At any given level of income and assets, families will have a wide range of life-styles and financial obligations, and some will have considerably more money available to help with their child's educational expenses than others. Opinions on what is appropriate to contribute will vary widely even among families with similar abilities to help. Some families will believe that students should be as financially independent as possible and will provide very little help, while others will give as much as they believe they can afford, perhaps even cutting back on their own expenses.

Students also can accommodate to any difference between the expected family contribution and their parents' actual contributions by adjusting their own life-styles or by relying on their own earnings or savings. The budget calculated by the financial aid office is only an approximate cost. Although expenses for tuition, books, and on-campus housing are relatively fixed, other expenses can usually be adjusted within wide ranges. Students have a considerable amount of flexibility in what they spend on housing if they live off campus (number of roommates, size and location of apartment, and so on) and in what they spend on food, transportation, entertainment, vacations, and clothing.

In the NPSAS:87 data file, the expected family contribution for students who received financial aid is the amount determined by their postsecondary institutions. No such calculation is made, of course, for students who did not apply for financial aid. For dependent students who did not receive financial aid and whose parents participated in the parent survey, NCES calculated an expected family contribution using the method used for students who received financial aid and the data provided by parents in the parent survey. For dependent students who did not receive financial aid and for whom no parent data existed, NCES imputed an expected family contribution.[8] Actual parent contributions in this report are the amounts reported by

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[7]The complete list of items involved in the calculation includes: federal income tax paid, earned income, unreimbursed medical-dental expenses, FICA tax and employment allowance, elementary-secondary school tuition, number in household in college, parental net assets, student untaxed income, and student net assets.

[8]The independent variables used to estimate the expected family contribution were any aid, family income (adjusted gross income plus untaxed income), dependent family household size, and student cost (adjusted full-year student-reported expenses).

parents as gifts or loans. Because of the concern that the estimation of in-kind contributions was not done consistently by all parents, in-kind contributions were not included. Thus, to the extent that parents substituted in-kind contributions for gifts or loans, the estimates of actual compared with expected contributions will be low.

This chapter compares the expected family contribution with parents' actual gifts and loans and examines the variation by student, parent, and institutional characteristics, controlling for income (where low income is less than $24,000 annually, middle income is $24,000-$49,999, and high income is $50,000 or more). In interpreting the comparisons, it is important to keep in mind that student assets and earnings can be used to meet the expected family contribution. This section looks only at what parents contributed, and therefore does not provide an indication of whether parents and students met the expected level together.

It is also important to keep in mind that even though the tables presented in this chapter control for income, many factors in addition to income determine actual contributions (as was pointed out in Chapter II), including the parents' resources, the cost of attending the postsecondary institution chosen, the length of the program, students' own earnings, financial aid awarded, parents' other financial obligations (including the number of other children in postsecondary education), and the parents' personal opinions about what amounts are appropriate to give, lend, and expect the student to provide himself or herself. Therefore, examining the relationship between any one of these and the ratio of actual versus expected contributions provides only a partial picture.

On average, 40 percent of students received less than 75 percent of the expected family contribution from their parents, 22 percent received 75 percent to 124 percent of the expected family contribution, and 38 percent received 125 percent or more of the expected family contribution (table III.1 and figures III.1-III.4). Among low and middle income families, the percentages of students who received these proportions of expected contributions resembled the average and did not differ from each other. Among high income families, however, only 30 percent of students received less than 75 percent of what the family was expected to contribute, compared with 44 percent of low income students and 43 percent of middle income students. Moreover, 31 percent of the students from high income families received 75 percent to 124 percent of the expected family contributions, compared with 16 percent of students from low income families and 21 percent from middle income families. Students from high income families were no more likely than students from low from middle income families to receive 125 percent or more of the families' expected contribution.

Student Characteristics

At all income levels, males were as likely as females to receive the various percentages of their parents' expected contributions. A few differences appeared among racial-ethnic groups, however. Black students were more likely than white students to receive less than 75 percent of the expected contribution, and they were less likely than Asians, Hispanics, or whites to receive 125 percent or more of the expected amount. Among middle income families, no differences existed among the percentages of students in the various racial-ethnic groups who received less than 75 percent, 75 percent to 124 percent, or 125 percent or more of the expected family contributions. However, among high income families, black students were more likely to receive less than 75 percent of the expected contribution than were Asian, Hispanic, or white students, and among low income families, black students were less likely to receive 125 percent or more of the expected contribution than were Asian, Hispanic, or white students.

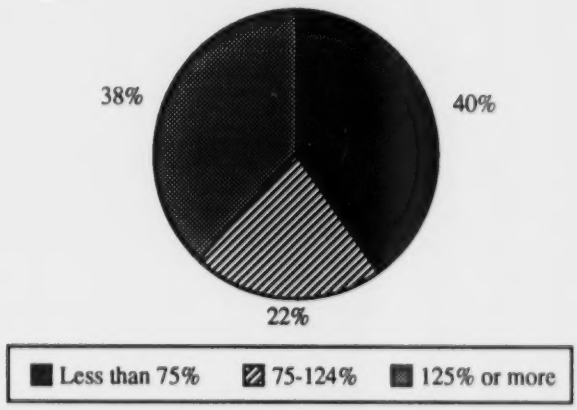
Table III.1--Percentage of students with actual parental contributions as various percentages of expected family contributions, by family income and selected student characteristics: Fall 1986

	Less than 75%	75-124%	125% or more	Less than 75%	75-124%	125% or more
		All students			*Low income*	
Total	40.2	21.8	37.9	43.6	16.1	40.4
Sex						
Male	40.5	22.1	37.3	38.8	16.7	44.5
Female	39.9	21.6	38.5	47.7	15.6	36.7
Race-ethnicity						
Native American	60.7	13.8	25.5	—	—	—
Asian	40.3	13.0	46.7	38.8	6.9	54.3
Black	58.2	17.9	23.9	62.7	17.8	19.5
Hispanic	42.7	15.8	41.5	44.4	11.8	43.8
White	38.6	23.0	38.5	40.6	17.1	42.4
Age						
19 years or younger	37.2	23.2	39.5	37.7	17.0	45.3
20-21 years	39.3	22.1	38.6	43.2	15.0	41.8
22-23 years	50.3	17.0	32.7	61.0	18.3	20.8
24 years or older	49.0	19.6	31.4	53.1	7.7	39.3
Level expect to complete						
Vocational	43.0	19.4	37.7	50.8	15.3	33.9
Some college	49.9	13.4	36.8	52.7	8.8	38.6
4- or 5-yr. degree	40.0	21.7	38.3	43.9	19.3	36.9
Master's degree	38.6	23.8	37.6	42.6	11.5	45.9
PhD or adv. prof.	36.5	23.6	39.9	32.7	22.2	45.2
		Middle income			*High income*	
Total	43.3	21.0	35.7	30.2	30.5	39.3
Sex						
Male	45.3	21.0	33.7	31.0	30.1	38.9
Female	41.3	21.0	37.7	29.5	30.8	39.7
Race-ethnicity						
Native American	—	—	—	—	—	—
Asian	55.2	22.6	22.1	21.2	8.7	70.1
Black	46.5	18.8	34.7	60.4	23.2	16.4
Hispanic	42.4	15.5	42.1	22.5	36.2	41.3
White	42.2	21.6	36.2	30.1	31.3	38.6
Age						
19 years or younger	39.6	22.7	37.7	29.6	33.5	36.9
20-21 years	43.6	20.6	35.8	30.0	30.0	40.0
22-23 years	52.3	13.1	34.7	34.7	22.9	42.4
24 years or older	56.2	30.7	13.2	23.5	26.8	49.7
Level expect to complete						
Vocational	40.7	17.0	42.3	60.8	14.1	25.1
Some college	45.0	19.5	35.5	42.3	14.9	42.8
4- or 5-yr. degree	41.5	21.2	37.4	29.8	27.9	42.4
Master's degree	45.0	21.7	33.4	27.6	36.2	36.2
PhD or adv. prof.	41.3	22.2	36.5	30.9	27.6	41.5

—Too few cases for a reliable estimate.

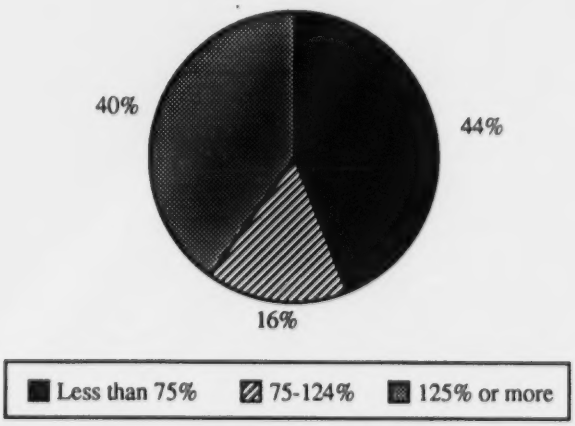
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Figure III.1--Percentage of dependent students with actual parental contributions as various percentages of expected family contributions: Fall 1986



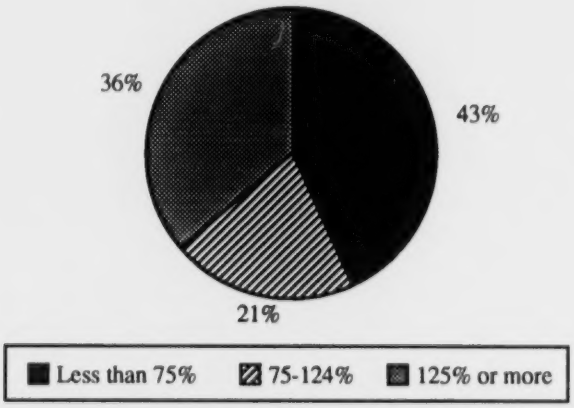
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Figure III.2--Percentage of dependent students with low income parents with actual parental contributions as various percentages of expected family contributions: Fall 1986



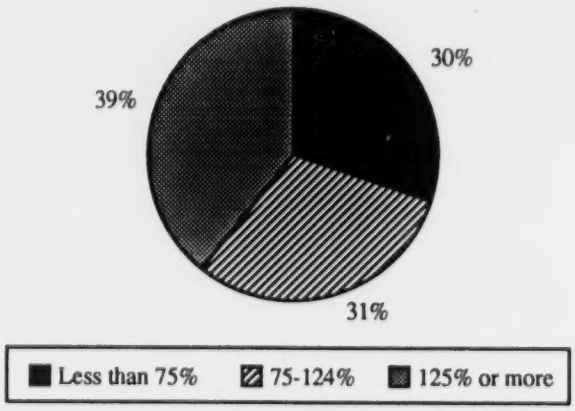
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Figure III.3--Percentage of dependent students with middle income parents with actual parental contributions as various percentages of expected family contributions: Fall 1986



SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Figure III.4--Percentage of dependent students with high income parents with actual parental contributions as various percentages of expected family contributions: Fall 1986



SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Students who were 22-23 years old were more likely than younger students to receive less than 75 percent of the expected family contribution (50 percent compared with 37 and 39 percent in the two younger age groups). Among students from low and middle income families (but not from high income families), students 22-23 years old were more likely than students 19 years old or younger to receive less than 75 percent of the expected contribution.

Students who received financial aid were more likely than students who did not to receive less than 75 percent of the expected family contributions (44 percent compared with 37 percent). They were also less likely than students who did not receive financial aid to receive 125 percent or more of the expected family contributions (35 percent compared with 41 percent) (table III.2). Among students from high income families, students who did not receive financial aid were more likely than those who did to receive 125 percent or more of the expected contribution. No differences were observed between students who received aid and those who did not in the low and middle income categories, however.

Although the proportion of expected family contributions that students received did not vary with the type of financial aid, there were some significant differences in the proportion of expected family contributions received depending on the amount of financial aid received. For example, 49 percent of students who received less than $1,000 in financial aid received less than 75 percent of the expected family contribution. In contrast, 31 percent of the students who received $10,000 or more in financial aid received less than 75 percent of the expected family contribution. Among students who received less than $1,000 in financial aid (but not among students who received more than $1,000), low and middle income students were more likely than high income students to receive less than 75 percent of the expected family contribution.

Parent Characteristics

Thirty-nine percent of students whose parents were married received less than 75 percent of the expected family contribution, compared with 47 percent of students whose parents were single (table III.3). This difference was replicated among students from high income families, but not among students from low and middle income families. Among students whose parents were single, no differences existed in the percentages of students receiving various percentages of the expected family contribution among the three income categories. However, among students whose parents were married, students from low and middle income families were more likely to receive less than 75 percent of the expected contribution (42 and 44 percent respectively) than were students from high income families (29 percent). And students from high income families were more likely than students from low and middle income families to receive 75 percent to 124 percent of the expected contribution.

Students whose parents had incomes of $75,000 or more were less likely to receive less than 75 percent of the expected family contribution than were students whose parents' income was less than $75,000. In the income categories of $50,000 and above, the percentage of students who received less than 75 percent of the expected family contribution ranged from 22 percent to 33 percent, while in the income categories below $50,000, the percentage ranged from 43 percent to 45 percent. Ten percent of the students from families with incomes of less than $12,000 received 75 percent to 124 percent of the expected contribution, but 46 percent received 125 percent or more. The proportions of students receiving various percentages of the expected family contributions varied with the kind of support that parents provided. About 64 percent of students who received only loans from their parents received less than 75 percent of the expected contribution, compared with 36 percent of students whose parents provided gift support and 24 percent of students whose parents provided both gift and loan support. Students who received only gifts from their parents were more likely than students who received only loans to receive

Table III.2--Percentage of students with actual parental contributions as various percentages of expected family contributions, by family income and selected student financial aid status characteristics: Fall 1986

	Less than 75%	75-124%	125% or more	Less than 75%	75-124%	125% or more
	All students			*Low income*		
Received any aid						
Yes	44.1	21.0	34.9	43.7	18.0	38.3
No	36.7	22.6	40.7	43.3	12.2	44.5
Type of aid						
No grants or loans	45.5	18.9	35.6	48.8	23.7	27.6
Grants only	47.2	21.3	31.5	46.0	17.4	36.6
Loans only	45.0	20.7	34.3	36.5	22.0	41.5
Grants and loans	40.4	21.5	38.1	43.1	17.1	39.8
Aid amount						
Less than $1,000	48.7	17.2	34.2	56.3	17.1	26.6
$1,000-$2,499	46.7	23.2	30.1	45.7	17.0	37.2
$2,500-$4,999	43.1	23.0	33.8	44.1	16.7	39.2
$5,000-$9,999	41.4	18.2	40.4	38.6	19.3	42.1
$10,000 or more	30.5	23.2	46.3	26.1	26.3	47.6
	Middle income			*High income*		
Received any aid						
Yes	45.8	19.8	34.4	34.9	35.6	29.5
No	40.5	22.3	37.3	28.4	28.5	43.1
Type of aid						
No grants or loans	51.0	18.1	31.0	33.3	22.7	44.0
Grants only	46.8	24.4	28.7	44.9	28.6	26.5
Loans only	50.8	15.4	33.9	25.3	43.3	31.4
Grants and loans	39.5	19.6	40.9	32.1	49.1	18.8
Aid amount						
Less than $1,000	52.4	14.1	33.5	32.9	28.6	38.5
$1,000-$2,499	46.6	27.4	26.0	37.8	31.8	30.4
$2,500-$4,999	44.8	22.3	33.0	34.7	45.1	20.2
$5,000-$9,999	42.8	13.4	43.8	38.9	34.6	26.5
$10,000 or more	35.6	15.5	48.9	—	—	—

—Too few cases for a reliable estimate.

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Table III.3--Percentage of students with actual parental contributions as various percentages of expected family contributions, by family income and selected parent characteristics: Fall 1986

	Less than 75%	75-124%	125% or more	Less than 75%	75-124%	125% or more
	All students			*Low income*		
Marital status						
Single	46.8	19.4	33.8	47.4	18.8	33.8
Married	39.2	22.3	38.5	41.6	14.7	43.7
Other children in postsecondary education						
None	41.2	21.4	37.4	44.2	17.0	38.9
One	34.1	25.7	40.3	36.7	11.8	51.5
Two or more	41.7	16.9	41.4	—	—	—
Income*						
Less than $12,000	44.7	9.6	45.7	44.7	9.6	45.7
$12,000-$23,999	43.0	19.1	37.9	43.0	19.1	37.9
$24,000-$29,999	44.1	18.0	37.9	—	—	—
$30,000-$49,999	43.0	21.9	35.1	—	—	—
$50,000-$74,999	33.2	30.1	36.7	—	—	—
$75,000-$99,999	26.2	32.8	40.9	—	—	—
$100,000 or more	21.5	30.1	48.4	—	—	—
Assets						
Less than $10,000	45.2	19.2	35.6	41.4	23.2	35.5
$10,000-$24,999	40.6	22.4	37.1	40.7	21.5	37.9
$25,000-$49,999	44.6	18.7	36.7	40.9	12.3	46.7
$50,000 or more	36.7	25.1	38.3	45.4	13.6	41.0
Employment						
Both employed	40.3	21.9	37.8	41.3	16.2	42.6
Neither employed	43.2	17.8	39.0	50.0	15.6	34.4
One employed	36.0	23.7	40.3	36.9	14.1	49.0
Type of parental support for student						
No gift or loan	—	—	—	—	—	—
Gifts only	36.1	25.0	39.0	38.0	19.3	42.8
Loans only	64.2	10.0	25.8	51.4	11.3	37.3
Gifts and loans	23.7	18.5	57.9	25.2	12.6	62.2
Level of support (without in-kind)						
Less than $500	96.3	1.4	2.3	97.7	2.0	0.3
$500-$2,999	51.1	23.5	25.4	37.5	26.6	35.0
$3,000-$7,499	16.6	27.0	56.5	3.4	9.8	86.8
$7,500-$9,999	3.9	33.6	62.5	0.7	4.1	95.2
$10,000 or more	2.1	26.3	71.7	1.1	9.1	89.8

Table III.3--Percentage of students with actual parental contributions as various percentages of expected family contributions, by family income and selected parent characteristics: Fall 1986--continued

	Less than 75%	75-124%	125% or more	Less than 75%	75-124%	125% or more
	Middle income			*High income*		
Marital status						
Single	40.2	20.4	39.5	45.2	23.1	31.7
Married	43.7	21.1	35.1	29.4	30.9	39.7
Other children in postsecondary education						
None	43.3	21.2	35.5	30.6	29.5	39.9
One	39.8	22.1	38.1	28.9	35.5	35.7
Two or more	57.1	11.6	31.3	30.4	25.1	44.5
Income*						
Less than $12,000	—	—	—	—	—	—
$12,000-$23,999	—	—	—	—	—	—
$24,000-$29,999	44.1	18.0	37.9	—	—	—
$30,000-$49,999	43.0	21.9	35.1	—	—	—
$50,000-$74,999	—	—	—	33.2	30.1	36.7
$75,000-$99,999	—	—	—	26.2	32.8	40.9
$100,000 or more	—	—	—	21.5	30.1	48.4
Assets						
Less than $10,000	40.8	24.4	34.8	46.8	17.2	36.0
$10,000-$24,999	44.1	20.5	35.4	34.5	36.0	29.5
$25,000-$49,999	49.0	20.1	30.9	30.3	32.5	37.2
$50,000 or more	40.1	24.2	35.7	28.3	30.8	40.9
Employment						
Both employed	44.6	19.3	36.1	32.5	30.9	36.6
Neither employed	41.6	20.3	38.2	34.5	30.8	34.7
One employed	41.3	24.3	34.4	23.7	30.4	45.9
Type of parental support for student						
No gift or loan	—	—	—	—	—	—
Gifts only	42.2	23.0	34.9	27.5	33.6	39.0
Loans only	75.4	2.3	22.3	—	—	—
Gifts and loans	23.1	21.2	55.7	23.3	20.2	56.5
Level of support (without in-kind)						
Less than $500	97.3	0.0	2.7	88.7	0.0	11.3
$500-$2,999	60.2	22.1	17.7	54.7	19.9	25.5
$3,000-$7,499	16.6	28.5	55.0	23.8	33.6	42.6
$7,500-$9,999	1.0	25.0	74.0	7.2	47.3	45.5
$10,000 or more	1.1	11.7	87.2	2.9	38.9	58.3

—Too few cases for a reliable estimate.

*Each of these rows can have values in only one of low, medium, or high income, based on the definitions of these categories.

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

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75 percent to 124 percent of the expected family contribution (25 percent compared with 10 percent). Students whose parents supported them through both gifts and loans were the most likely to receive 125 percent or more of the expected contribution—58 percent of them did, compared with 39 percent of students who received only parental gifts and 26 percent who received only parental loans.

Institutional Characteristics

Thirty-one percent of students who attended private, nonprofit institutions received less than 75 percent of the expected family contribution, compared with 43 percent of students in public institutions and 46 percent of students in private, for-profit institutions (table III.4). Within institutional type there was variation by family income. For example, among students who attended public institutions, students from low and middle income families were more likely than students from high income families to receive less than 75 percent of the expected family contributions (48 percent and 44 percent, respectively, compared with 32 percent).

Among students who attended private, nonprofit institutions, students from middle income families were more likely than students from high income families to receive less than 75 percent of the expected contribution (38 percent compared with 25 percent). The difference between low and middle income families at this type of institution was not significant, nor were the differences among income groups at private, for-profit institutions.

Students attending 2- to 3-year institutions were more likely than students attending 4-year institutions to receive less than 75 percent of the expected contribution (48 percent compared with 37 percent), and they were less likely to receive 75 percent to 124 percent of the expected contribution (16 percent compared with 24 percent). Among students attending 2 to 3 year-institutions, students from high income families were less likely than students from middle income families to receive less than 75 percent of the expected contribution (37 percent compared with 52 percent) and were more likely than students from middle income families to receive 125 percent or more of the expected contribution (47 percent compared with 30 percent). Among students attending 4-year institutions that offer doctoral programs, low and middle income students were less likely than high income students, to receive 75 percent to 124 percent of the expected contribution (15 percent and 23 percent compared with 34 percent, respectively).

Differences existed among the proportions of students who received various percentages of the expected family contribution depending upon the cost of the institutions attended, but they were not very systematic. Students who attended institutions that cost $10,000 or more per year to attend were less likely than students who attended institutions that cost $3,000 to $4,999 or $5,000 to $9,999 to receive less than 75 percent of the expected family contribution (28 percent compared with 44 to 45 percent). Students who attended institutions that cost $6,000 or more were more likely than students who attended institutions that cost less than $1,500 per year to receive 75 percent to 124 percent of the expected family contribution. Students who attended institutions that cost $6,000-$9,999 were less likely than students who attended institutions that cost less than $3,000 to receive 125 percent or more of the expected family contribution.

Summary

Many students (40 percent) received less than 75 percent of the expected family contribution from their parents, but an approximately equal proportion (38 percent) received 125 percent or more. However, expected family contributions include funds that students are expected to provide themselves from savings and employment. Thus when parents contribute

Table III.4--Percentage of students with actual parental contributions as various percentages of expected family contributions, by family income and selected institutional characteristics: Fall 1986

	Less than 75%	75-124%	125% or more	Less than 75%	75-124%	125% or more
	All students			*Low income*		
Control						
Public	43.0	20.2	36.9	47.8	14.9	37.2
Private, nonprofit	31.3	27.1	41.6	31.4	18.4	50.2
Private, for-profit	45.6	19.6	34.8	38.3	21.4	40.3
Level						
Less-than-2-years	45.3	17.8	36.9	47.9	20.2	31.9
2 to 3 years	47.5	16.2	36.3	44.6	14.2	41.2
4 years, no PhD	37.4	23.5	39.1	36.2	18.5	45.3
4 years, PhD	37.4	24.4	38.2	48.4	15.1	36.5
Cost of attending						
Less than $1,500	38.1	15.8	46.2	47.9	13.4	38.7
$1,500-$2,999	38.5	18.1	43.4	43.1	19.6	37.3
$3,000-$5,999	44.0	22.1	33.8	48.8	15.7	35.5
$6,000-$9,999	44.7	24.8	30.6	46.9	13.7	39.4
$10,000 or more	28.0	31.4	40.6	17.0	19.5	63.5
	Middle income			*High income*		
Control						
Public	44.4	21.2	34.5	32.1	26.0	41.9
Private, nonprofit	38.3	20.8	40.9	24.5	41.5	34.1
Private, for-profit	53.7	18.0	28.4	55.1	20.1	24.8
Level						
Less-than-2-years	48.7	17.1	34.3	44.0	17.2	38.8
2 to 3 years	51.9	17.9	30.2	36.5	16.5	47.0
4 years, no PhD	41.4	21.3	37.4	31.3	33.3	35.4
4 years, PhD	37.9	23.3	38.7	27.3	33.7	39.0
Cost of attending						
Less than $1,500	37.5	19.0	43.4	18.6	12.7	68.7
$1,500-$2,999	39.6	19.1	41.3	30.9	14.0	55.0
$3,000-$5,999	46.7	23.2	30.2	31.7	30.9	37.4
$6,000-$9,999	49.5	21.7	28.9	36.3	38.7	25.0
$10,000 or more	37.0	20.7	42.3	26.2	50.8	23.0

—Too few cases for a reliable estimate.

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

less than 75 percent of the total expected family contribution, they may be contributing as much as or more than the amount that was expected of them alone. Student characteristics associated with a greater likelihood of receiving less than 75 percent of the expected family contribution from their parents were being black, older, and receiving financial aid. Parental characteristics were being single, lower income, and providing only loans to their children. Students attending 2- to 3-year institutions were more likely than students attending 4-year institutions to receive less than 75 percent of the expected family contribution from their parents.

Chapter IV

Sources of Funds Contributed by Parents

Parents who wish to help their children finance their postsecondary education can draw upon current income, funds previously set aside (either specifically for education or general savings), or loans. To increase their resources, they can take on additional work (overtime or another job) or can reduce their own living expenses to free up funds for their child. Not all of these options are equally available to all parents, however. Parents with low-paying jobs, for example, have less current income at their disposal and have less access to credit. Moreover, not all parents have savings, because either they did not earn enough to save or they chose not to save. Finally, taking on additional work may be more feasible for some parents than others.

Moreover, students vary considerably in the amount of financial support they need from their parents to help finance their postsecondary education. This amount depends on the tuition and fees at the institution attended and on the students' housing arrangements and personal living expenses. It also varies according to the students' access to financial aid and whether or not they have savings and earnings of their own. Thus, middle income parents with a child who attends a relatively expensive out-of-town college and who is not eligible for financial aid might have to access more sources of funds to meet their child's need for financial help than might low income parents whose child lives at home, attends a public institution, and receives financial aid.

Parents were asked which of a number of sources they used to obtain the money that they contributed or lent to their children for living and school expenses for the 1987-88 school year. The sources fell into four major categories: 1) current income (not from additional work); 2) funds previously set aside (savings account, trust fund, account set up in accordance with the Uniform Gift to Minors Act, real estate, stocks, or bonds); 3) loans (second mortgage on real estate, a life insurance policy, or other sources); and 4) additional work (taking another job or working more hours at a current job). The first part of this chapter looks at what percentages of students had parents who used each of these sources of funds and how these percentages varied with student, parent, and institutional characteristics.

Parents were also asked detailed questions about their savings and loans. With respect to savings, it asked if they had saved at all and, if so, whether or not they had set aside funds specifically for educational purposes. The questionnaire also asked them when they had started saving and what kinds of savings accounts they had used. With respect to loans, parents were asked about their use of various loan programs and about the average amount they borrowed. The second and third parts of this chapter describe the use of savings and loans and how this use varied according to student, parent, and institutional characteristics.

Again, caution must be exercised in interpreting the tables. The sources of funds parents use and the types of savings and loans they use is a result of a combination of factors, including the cost of attending the institution their child has chosen, the length of the program, their own income and assets, and their other financial obligations. Multivariate analysis would be needed to sort out the interactions among these variables, but the tables only show two variables at a time. The tables also do not allow us to establish the direction of causation. For example, do students choose low cost, 2-year institutions because their parents are not able to borrow and therefore cannot afford to send them to 4-year institutions, or do parents not need to borrow because their children have chosen to attend low cost, 2-year institutions?

Sources of Funds

Current income was the most frequently used source of funds for supporting dependent students' undergraduate education. More than three-quarters of the students (79 percent) had parents who used current income to provide them with gifts or loans during the 1986-87 school year (figure IV.1 and table IV.1). This proportion varied little across student, parent, or institutional characteristics.

Previously set aside funds were the next most frequently used source, with 65 percent of the students having parents who used such funds. There was somewhat more variation in the percentages of parents using previously set aside funds than in the percentages using current income. For one reason, not all parents would have had any savings to use. For another, of those who had previously set aside funds, not all would have needed to provide a level of support that required them to tap into those savings. For example, some high income parents with children at public institutions may have been able to support their children's postsecondary education entirely out of current income.

Loans and additional work were much less important than current income or previously set aside funds, regardless of the characteristics of the students, their parents, and the type of institution attended. Overall, 24 percent of the students had parents who assumed loans, and 30 percent had parents who took on additional work. Among subgroups of students, there was more variation in their parents' use of these sources than there was in current income or previously set aside funds. Again, access to these sources of funds and the need to use them would have varied. For example, additional work would have been more feasible in two-parent families where only one parent was working or where at least one parent was working part-time than it would have been in a single-parent family where the parent already had a full-time job. Also, families with high incomes, sizable assets, or students enrolled in low-cost institutions might not need to access these types of resources.

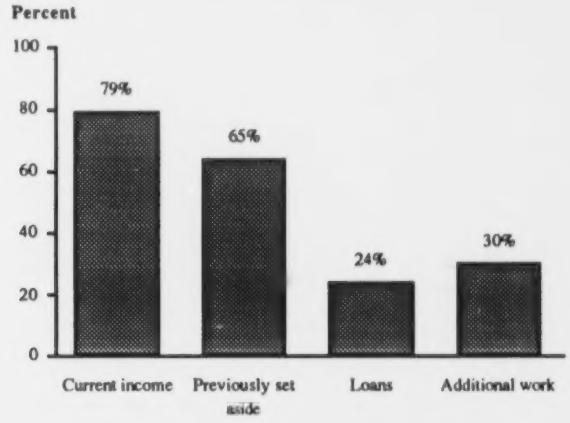
Note that these percentages were calculated using the students who received gifts or loans as the base. That is, they show what percentage *of the students receiving gifts or loans* had parents who used each different source, not what percentage of *all* students had parents using the sources. Thus, the 64.8 percent in the first line of table IV.1 demonstrates that approximately 65 percent of the students whose parents gave them gifts or loans had parents who used previously set aside funds, not that 65 percent of all students had parents who used previously set aside funds to help them.

Student Characteristics

Parental use of the various sources of funds varied with student demographic characteristics such as sex, race/ethnicity, and age, with enrollment characteristics such as attendance status and the level of postsecondary education the student expected to complete, and with financial aid status. Female students were slightly more likely than male students (82 percent compared with 77 percent) to have parents who used current income to provide them with gifts or loans. Both sexes were equally likely, however, to have parents who used previously set aside funds, loans, and additional work.

Native American students were more likely than black or Hispanic students to have parents who used previously set aside funds (86 percent compared with 51 percent and 59 percent). No other significant differences existed among racial-ethnic groups.

Figure IV.1--Percentage of dependent students receiving parental support, by source funds of parental support: Fall 1986



SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Table IV.1--Among dependent students receiving parental gifts or loans, percentage of students with parents using different sources of funds, by selected student demographic characteristics: Fall 1986

	Current income	Previously set aside	Loans	Additional work
Total	79.4	64.8	24.0	29.6
Sex				
Male	77.3	64.8	23.2	29.9
Female	81.5	64.9	24.8	29.4
Race-ethnicity				
Native American	85.0	86.1	27.9	28.7
Asian	81.9	66.2	25.7	30.2
Black	75.9	51.2	24.2	38.2
Hispanic	78.5	58.9	24.2	29.0
White	79.6	65.9	23.9	29.0
Age				
19 years or younger	78.8	66.3	23.7	31.1
20-21 years	80.3	64.8	27.0	30.2
22-23 years	80.6	61.7	21.0	25.3
24 years or older	76.1	59.5	12.7	22.3

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Students over 24 years old were less likely than younger students to have parents who borrowed money to provide them with gifts or loans for educational purposes (table IV.1). Only 13 percent of the students over 24 years old had parents who took out loans, compared with 24 percent of students 19 years or younger and 27 percent of students 20-21 years old.

The percentages of students with parents who borrowed to provide financial support varied with attendance status and the level of postsecondary education the student expected to complete. Students who attended full-time, full-year were more likely than students who attended part-time, full-year or part-year to have parents who borrowed (27 percent compared with 16 percent and 15 percent) (table IV.2). Students who expected to complete bachelor's, master's, or Ph.D. or advanced professional degrees were much more likely than students who expected to complete only some college to have parents who took out loans (23 percent, 27 percent, and 29 percent compared with 13 percent).

Table IV.2--Among dependent students receiving parental gifts or loans, percentage of students with parents using different sources of funds, by selected student enrollment characteristics: Fall 1986

	Current income	Previously set aside	Loans	Additional work
Attendance status				
Full-time, full-year	80.0	65.6	26.9	31.5
Part-time, full-year	80.3	65.4	15.5	30.1
Part-year	74.9	58.8	14.5	17.4
Enrollment status				
1st year	78.2	65.7	20.3	27.4
2nd year	79.3	65.4	25.4	32.5
3rd year	81.6	61.6	28.3	30.9
4th or 5th year	80.4	65.9	25.3	28.0
Level expect to complete				
Vocational	76.0	51.0	23.3	26.5
Some college	72.2	56.4	13.2	27.7
4- or 5-yr. degree	81.9	64.7	23.4	26.4
Master's degree	78.7	67.9	26.6	33.8
PhD or adv. prof.	76.6	67.0	28.6	31.0

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Students with student financial aid were less likely than students without it to have parents who contributed to their postsecondary education from previously set aside funds (60 percent compared with 69 percent), and they were more likely to have parents who used loans (32 percent compared with 17 percent) or additional work (35 percent compared with 24 percent) (table IV.3). When students' only form of financial aid was loans, their parents were more likely to borrow than were the parents of students whose only form of financial aid was grants (43 percent compared with 23 percent), but they were not significantly more likely to take on additional work.

Table IV.3--Among dependent students receiving parental gifts or loans, percentage of students with parents using different sources of funds, by selected student financial aid characteristics: Fall 1986

	Current income	Previously set aside	Loans	Additional work
Received any aid				
Yes	78.8	60.2	32.2	35.4
No	80.0	69.1	16.6	24.4
Type of aid				
No grants or loans	72.4	66.2	12.9	21.6
Grants only	81.3	58.3	23.3	30.7
Loans only	78.6	68.7	43.2	41.7
Grants and loans	78.6	55.2	39.5	40.0
Aid amount				
Less than $1,000	76.8	58.0	16.2	23.4
$1,000-$2,499	81.0	61.3	26.7	33.9
$2,500-$4,999	77.8	61.9	39.8	39.9
$5,000-$9,999	81.4	57.9	42.5	39.5
$10,000 or more	74.9	58.9	31.8	44.2

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Parent Characteristics

The number of other children enrolled in postsecondary education was one of the few characteristics in which the use of current income varied. Eighty-one percent of students who came from families with no other children enrolled in postsecondary education had parents who used current income as a source of funds for gifts or loans to the student, while only 73 percent of students who came from families with one other child enrolled and 64 percent of students who came from families with two or more other children enrolled (table IV.4).

The sources of funds used varied with parents' financial situations, including income, assets, and employment status. Of the students from families in the lowest income group (less than $12,000 per year), only 51 percent of their parents used previously set aside funds, compared with 73 percent of the students from families with incomes in the $50,000-$74,999 category and 74 percent in the $75,000-$99,999 category. At the other end of the income scale, when students came from families with incomes that were greater than $100,000, their parents were less likely than those in the $30,000-$49,999 income range to use loans (17 percent compared with 28 percent), and they were less likely than those in all the income groups between $12,000 and $74,999 to use additional work (14 percent compared with 29 percent to 39 percent).

When students came from families with $50,000 or more in assets, 71 percent of their parents used previously set aside funds, compared with only 53 percent when family assets were less than $10,000 and 55 percent when they were $10,000-$24,999. Students from the lowest and highest asset ranges (less than $10,000 and more than $50,000) were less likely than students in the middle asset ranges ($10,000-$24,999 and $25,000-$49,999) to have parents who took out loans (19 percent in both cases compared with 33 percent and 31 percent).

Table IV.4--Among dependent students receiving parental gifts or loans, percentage of students with parents using different sources of funds, by selected parent characteristics: Fall 1986

	Current income	Previously set aside	Loans	Additional work
Marital status				
Single	80.7	57.1	27.2	26.3
Married	79.3	66.2	23.2	30.1
Other children in postsecondary education				
None	81.2	63.9	22.7	29.1
One	72.9	70.4	29.2	31.7
Two or more	63.9	64.3	33.7	33.5
Income				
Less than $12,000	77.8	50.8	26.0	24.5
$12,000-$23,999	82.6	55.4	23.8	39.3
$24,000-$29,999	84.1	64.6	23.0	34.0
$30,000-$49,999	78.8	66.4	27.6	30.6
$50,000-$74,999	78.4	72.9	26.7	29.0
$75,000-$99,999	75.1	73.5	21.1	19.9
$100,000 or more	75.9	68.6	17.2	13.7
Assets				
Less than $10,000	79.0	52.9	18.5	23.6
$10,000-$24,999	76.5	54.8	32.9	30.1
$25,000-$49,999	87.3	65.2	31.1	37.6
$50,000 or more	79.5	71.0	19.0	27.4
Employment				
Both employed	80.1	65.4	25.7	35.6
Neither employed	67.0	72.6	12.9	11.5
One employed	79.0	66.0	20.9	21.4
Type of parental support for student				
Gifts only	80.0	64.9	22.8	29.1
Loans only	69.9	63.0	27.3	30.3
Gifts and loans	76.7	69.1	37.9	35.5
Level of support (without in-kind)				
Less than $500	72.2	31.6	14.0	18.8
$500-$2,999	79.9	61.3	18.2	27.7
$3,000-$7,499	80.2	72.8	31.0	33.6
$7,500-$9,999	79.7	74.3	32.5	35.4
$10,000 or more	78.9	79.4	36.3	33.0

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Approximately equal percentages of students with both parents employed and with one parent employed used current income (80 percent and 79 percent), previously set aside funds (65 percent and 66 percent), and loans (26 percent and 21 percent) to provide support. However, greater percentages of students with both parents employed used additional work (36 percent) than when only one parent was employed (21 percent).

The use of different sources of funds was also related to the type and level of support provided. When students received both gifts and loans from their parents, they were more likely than students who received only gifts to have parents who assumed loans themselves (38 percent compared with 23 percent) or took on additional work (36 percent compared with 29 percent). When the level of support excluding in-kind contributions was less than $500, a much smaller percentage (32 percent) of the students had parents who used previously set aside funds than when the level of support was higher (when it ranged from 61 percent to 79 percent). The use of loans was also less frequent at the lower levels of support. For example, when the level of support was less than $500, only 14 percent of the students had parents who used loans, compared with more than 30 percent when the level of support was greater than $3,000.

Institutional Characteristics

The cost of attending postsecondary institutions had an impact on the use of each source of funds. For example, when the cost of attending was less than $1,500 per year, 56 percent of the students had parents who used previously set aside funds, 11 percent had parents who used loans, and 18 percent had parents who used additional work (table IV.5). When the cost of attending was more than $10,000 per year, on the other hand, each source was used in a greater percentage of cases: 68 percent of the students had parents who used previously set aside funds, 36 percent had parents who used loans, and 39 percent had parents who used additional work.

Students who attended private, nonprofit institutions were more likely than those who attended public institutions to have parents who used previously set aside funds (70 percent compared with 63 percent). They were also more likely to have parents who used loans or additional work. Thirty-three percent of the students in private, nonprofit institutions had parents who used loans, and 38 percent had parents who used additional work. In contrast, only 21 percent of students in public institutions had parents who used loans and 27 percent had parents who used additional work.

Students who attended 4-year Ph.D.-granting institutions were more likely than students who attended other types of institutions to have parents who used previously set aside funds: 70 percent compared with 57 percent in less-than-2-year institutions, 59 percent in 2- to 3-year institutions, and 63 percent in 4-year non-Ph.D.-granting institutions. They were also more likely than students in less-than-2-year or 2- to 3-year institutions to have parents who assumed loans (27 percent compared with 16 percent and 15 percent). Students in less-than-2-year institutions were less likely than students in 4-year institutions to have parents who used additional work: 17 percent compared with 34 percent in 4-year non-Ph.D.-granting institutions and 30 percent in 4-year Ph.D.-granting institutions.

Within the public sector, students in 2- to 3-year institutions were less likely than students in 4-year institutions to have parents who used loans. Only 14 percent of the students in public 2-year institutions had parents who used loans, compared with 24 percent of the students in non-Ph.D.-granting, public, 4-year institutions and 25 percent in Ph.D.-granting, public, 4-year institutions.

Table IV.5--Among dependent students receiving parental gifts or loans, percentage of students with parents using different sources of funds, by selected institutional characteristics: Fall 1986

	Current income	Previously set aside	Loans	Additional work
Cost of attending				
Less than $1,500	81.1	56.2	11.2	18.0
$1,500-$2,999	81.1	65.4	20.5	30.0
$3,000-$5,999	79.8	63.7	25.4	27.5
$6,000-$9,999	78.1	71.7	29.5	37.9
$10,000 or more	77.2	68.3	35.5	39.0
Type of institution				
Public, 4-yr, PhD	83.1	68.6	25.0	27.5
Private-np, 4-yr, PhD	78.1	75.6	33.1	37.3
Public, 4-yr, no PhD	78.5	60.3	23.7	29.7
Private-np, 4-yr, no PhD	76.0	65.7	34.9	38.6
Public, 2-year	79.1	58.8	13.8	24.3
Private-np, lt-4-yr	77.3	66.6	22.0	38.4
Private-fp, lt-4-yr	69.5	62.6	23.3	27.0
Public, lt-2-yr	—	—	—	—
Institutional control				
Public	80.7	63.2	20.9	26.9
Private, nonprofit	77.0	70.0	33.4	38.0
Private, for-profit	71.2	62.4	21.9	28.0
Institution level				
Less-than-2-years	69.4	56.5	16.0	16.8
2 to 3 years	78.7	59.4	15.0	25.8
4 years, no PhD	77.6	62.6	28.3	33.6
4 years, PhD	81.8	70.4	27.0	30.0

—Too few cases for a reliable estimate.
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Savings

A 1984 national study on parental savings for children's higher education expenses showed that 51 percent of parents of precollege age children were saving for their children's education and that the median amount saved was $517 per year. These parents began saving when their oldest child was 4 years old (the median age). Seventy percent of the parents who were not saving said they could not afford to save, but two-thirds of them planned to save later.[9]

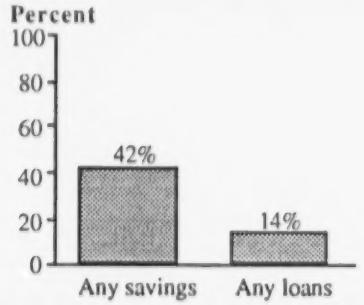
In NPSAS:87, parents were asked if they had saved money to help finance their child's postsecondary education and, if so, if the money they had saved was set aside to be used only for education or if it could be used for other purposes. They were also asked what grade the child

[9]The Roper Organization, Inc., *A National Study on Parental Savings for Children's Higher Education Expenses*, conducted for the National Institute of Independent Colleges and Universities (Washington, D.C., August 1984), 23.

had been in when the parent began saving and what types of savings plans the parent had established: accounts in the child's name, accounts in the parent's (or their spouse's) name, a life insurance policy, a trust fund, or other type of savings plan.

Most students did not have parents who saved to help them with their postsecondary education. Overall, less than one-half (42 percent) of the students had parents who saved to help them with their postsecondary education expenses, and only 11 percent had parents who saved for educational use only (figure IV.2 and table IV.6). Note that this 42 percent of students with parents who saved was calculated using all students as the base. It is less than the percentage of the students who had parents who used previously set aside funds reported in table IV.1 (65 percent), because the base for the 65 percent was only students who received gifts or loans from their parents, not all students. Similarly, 14 percent of all students had parents who borrowed money in order to support their children, and 24 percent of students who received gift or loan support from their parents had parents who borrowed money themselves in order to support their children's postsecondary education.

Figure IV.2--Percentage of students with parents using savings or loans to provide support: Fall 1986



SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Among students with parents who established savings plans, approximately equal proportions had parents who began saving while the student was in elementary school or earlier (47 percent) and while the student was in junior high or high school (44 percent) (figure IV.3). Only 10 percent had parents who did not begin saving until after the student had finished high school. Accounts in the parent's name were the most common vehicle for saving, followed by accounts in the student's name: 71 percent of the students had parents with accounts established in the parent's name, while 45 percent had parents who established savings accounts in the student's name. Only 14 percent of the students had parents who used life insurance policies for saving, and only 6 percent had parents who set up trust funds.

The next sections describe how savings patterns varied with student, parent, and institutional characteristics. There was more variation in whether or not students' parents had savings than in when saving began or what types of savings plans were used.

Student Characteristics

There was no significant difference in the proportions of male and female students whose parents saved for their postsecondary education (44 percent and 41 percent), but male students were more likely than female students to have parents who began saving while the student was in

elementary school or earlier (50 percent compared with 44 percent) (table IV.6). The type of savings plan did not vary by the sex of the student.

Table IV.6--Percentage of dependent students receiving parental support from parents' savings and, when parents saved, when saving began and the location of the savings, by selected student characteristics: Fall 1986

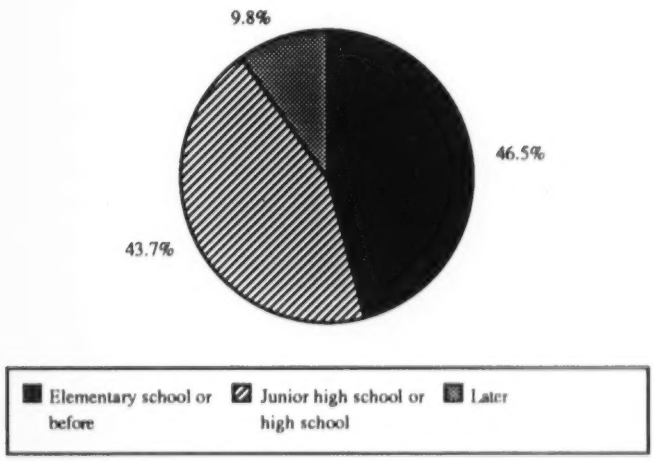
	Kind of savings			Student level when parents began to save			Location of savings*			
	Any savings	Ed. use only	Not just for ed.	El. or before	Jr. HS or HS	Later	Child's acct.	Parent's acct.	Life insur.	Trust fund
Total	42.3	11.2	31.0	46.5	43.7	9.8	44.6	70.7	14.2	5.9
Sex										
Male	44.1	12.5	31.5	49.5	41.4	9.1	44.7	70.1	15.2	6.5
Female	40.6	10.0	30.6	43.5	46.0	10.6	44.5	71.4	13.3	5.2
Race-ethnicity										
Native American	31.2	6.6	24.6	—	—	—	—	—	—	—
Asian	55.5	7.4	48.1	29.0	43.8	27.3	45.1	72.6	18.2	4.5
Black	25.3	9.1	16.1	43.2	43.3	13.6	45.4	65.9	24.5	4.2
Hispanic	32.0	12.0	20.0	45.8	44.0	10.2	33.9	74.8	3.1	1.0
White	44.2	11.7	32.5	48.3	43.6	8.1	45.4	70.7	14.0	6.3
Age										
19 years or younger	44.0	10.8	33.2	44.6	48.9	6.5	47.4	70.8	12.9	6.0
20-21 years	44.2	13.6	30.6	48.2	39.4	12.4	44.7	68.6	15.1	5.8
22-23 years	38.5	9.6	28.8	46.7	44.1	9.2	39.1	73.6	17.7	6.7
24 years or older	31.3	6.2	25.1	51.5	26.0	22.5	34.1	77.2	11.9	3.2
Level expect to complete										
Vocational	24.9	5.5	19.4	38.7	44.2	17.1	40.0	75.6	14.3	1.8
Some college	27.2	4.8	22.4	42.4	39.3	18.3	38.2	68.2	17.0	3.4
4- or 5-yr. degree	44.6	11.5	33.2	44.4	46.3	9.3	45.4	71.5	14.6	5.3
Master's degree	45.4	12.9	32.5	50.5	43.4	6.2	43.5	70.6	14.2	6.7
PhD or adv. prof.	46.2	14.7	31.6	51.7	37.6	10.8	49.5	68.1	13.1	7.7

—Too few cases for a reliable estimate.
*Multiple responses were possible.
SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Asian and white students were more likely than black or Hispanic students to have parents who established savings plans (56 percent and 44 percent compared with 25 percent and 32 percent, respectively). Approximately equal proportions of students in each racial-ethnic group had parents who began saving while the student was in junior high or high school. However, Asian students were less likely than white students to have parents who began saving while the student was in elementary school or earlier (29 percent compared with 48 percent).

Students under 21 years old were more likely than students over 24 years old to have parents who saved: 44 percent of the students 21 years or younger had parents who had any savings plan, compared with only 31 percent of the students over 24 years old. Students 20-21 years old were also more likely than students over 24 years old to have parents who saved specifically for educational purposes (14 percent compared with only 6 percent).

Figure IV.3--Percentage of students with parents who began saving in elementary school or before, in junior high or high school, or later: Fall 1986



SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Students who expected to earn 4- or 5-year or graduate degrees were more likely than students who expected to complete vocational programs or some college to have parents who saved (approximately 45 percent compared with approximately 25 percent). However, of the students whose parents did save, when saving began did not vary significantly by the level the student expected to complete.

Parent Characteristics

Students who came from single-parent families were less likely than those who came from married-parent families to have parents who saved (33 percent compared with 45 percent). They were also less likely to have parents who started saving when the student was in elementary school or earlier (37 percent compared with 48 percent) (table IV.7). Both types of students were equally likely, however, to have parents who used the various savings methods reported here.

Students who came from families with no other children in postsecondary education were less likely than those from families with one other child or two or more other children enrolled to have had parents who saved (39 percent compared with 62 percent and 53 percent, respectively). Forty-seven percent of students who came from families with no other children enrolled in postsecondary education had parents who began saving when the student was in elementary school, 45 percent had parents who began saving when the student was in junior high or high school, and 9 percent had parents who began saving later. The timing of savings did not vary significantly when there were other children in the family enrolled in postsecondary education.

Parents with higher incomes were more likely than parents with lower incomes to save for their child's education. Students whose family incomes were greater than $50,000 annually were more likely than students whose family incomes were less than $50,000 to have parents who saved. At the highest income level ($100,000 or more), 63 percent of the students had parents who saved, while at the lowest income level (less than $12,000), only 22 percent had parents who saved. There were no statistically significant differences among income groups in student grade level when parents began saving.

The use of trust funds as a vehicle for saving was concentrated at the highest end of the income scale. Among students from families with incomes of $100,000 or more per year, a full 20 percent had parents who established trust funds, while no other income group had more than 8 percent with parents who used trust funds. Only 1 percent of the students from families in the lowest income group had parents with trust funds.

Like income, high assets were associated with a greater likelihood of saving.[10] Of the students whose parents reported assets of $50,000 or more, 55 percent had savings, compared with less than one-third of students whose parents had lower assets. In addition, students whose parents had $50,000 or more in assets were more likely than students whose parents had assets in the $10,000-$24,999 and $25,000-$49,999 ranges to have parents who started saving when their child was in elementary school or earlier (50 percent compared with 30 percent and 37 percent).

Higher levels of support (excluding in-kind contributions) were associated with a greater likelihood of saving (but not significantly earlier saving). Seventy-one percent of the students with parents who provided more than $10,000 in support had parents with any savings, as did 69 percent of the students with parents who provided $7,500 to $9,999. In contrast, only 24 percent of those with parents who provided less than $500, 45 percent of those with parents who provided from $500 to $2,999, and 55 percent of those with parents who provided from $3,000 to $7,499 had any savings.

Institutional Characteristics

Students whose cost of attending postsecondary education was less than $1,500 per year were less likely than all other students to have parents who saved (table IV.8). Only 32 percent of them had parents who saved, compared with 40 percent or more of the students in the higher cost of attending categories. When parents began saving, however, did not vary significantly with the cost of attending.

Students who attended private, for-profit institutions were less likely than others to have parents who saved: only 27 percent had parents who saved, compared with 41 percent of students in public institutions and 49 percent in private, nonprofit institutions. Students who attended private, for-profit institutions were also less likely than students in public or private, nonprofit institutions to have parents who began saving in elementary school or before (27 percent compared with 47 percent and 48 percent).

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[10]Note that the definition of assets included savings, along with cash, checking accounts, principal residence, businesses, farms, other residences, and other assets such as jewelry, real estate and investments, stocks, bonds, and retirement accounts.

Table IV.7--Percentage of dependent students receiving parental support from parents' savings, by type of savings, when saving began, location of savings, and selected parent characteristics: Fall 1986

	Kind of savings			Student level when parents began to save			Location of savings			
	Any savings	Ed. use only	Not just for ed.	El. or before	Jr. HS or HS	Later	Child's acct.	Parent's acct.	Life insur.	Trust fund
Marital status										
Single	33.1	9.1	24.0	37.1	45.7	17.2	37.8	69.6	20.6	5.2
Married	45.2	12.0	33.2	48.2	43.4	8.4	45.9	70.9	13.2	6.0
Other children in postsecondary education										
None	38.8	11.4	27.4	46.5	45.0	8.5	46.2	70.1	14.4	5.4
One	62.0	10.0	52.0	47.8	40.1	12.1	39.6	73.9	13.0	7.0
Two or more	53.3	11.2	42.0	41.1	34.8	24.1	37.8	68.9	16.3	9.2
Income										
Less than $12,000	22.3	6.1	16.2	42.5	37.1	20.4	46.7	45.9	24.4	1.0
$12,000-$23,999	31.3	6.9	24.4	44.5	37.9	17.7	37.3	72.1	12.5	3.2
$24,000-$29,999	37.5	10.7	26.8	44.7	44.7	10.6	48.5	65.7	22.9	5.2
$30,000-$49,999	44.2	11.4	32.7	41.7	50.3	8.0	43.5	73.6	13.6	3.4
$50,000-$74,999	66.0	17.0	49.0	51.9	40.5	7.7	45.6	71.9	11.9	6.5
$75,000-$99,999	72.6	16.9	55.7	47.7	45.8	6.5	43.0	82.7	10.5	8.1
$100,000 or more	62.6	16.5	46.0	45.6	48.2	6.2	55.9	62.3	11.4	19.8
Assets										
Less than $10,000	25.7	8.1	17.6	45.1	31.2	23.7	41.0	62.7	25.6	7.4
$10,000-$24,999	27.7	5.7	21.9	30.1	59.9	10.0	33.6	68.9	23.0	3.3
$25,000-$49,999	32.2	6.9	25.3	37.5	54.0	8.5	37.0	78.4	19.5	2.0
$50,000 or more	55.0	14.9	40.0	49.9	42.1	8.0	47.5	72.0	11.5	6.1
Employment										
Both employed	46.3	11.7	34.6	45.3	44.4	10.3	45.0	72.3	13.9	5.3
Neither employed	35.0	12.0	23.0	58.5	30.2	11.3	47.3	66.7	11.4	4.9
One employed	45.7	11.9	33.8	49.2	43.7	7.1	46.5	69.4	12.0	7.0
Level of support (without in-kind)										
Less than $500	23.6	5.5	18.1	37.2	54.0	8.8	48.4	78.7	14.8	4.9
$500-$2,999	44.7	11.2	33.5	43.2	46.4	10.4	45.6	68.3	13.3	3.9
$3,000-$7,499	55.2	14.0	41.2	44.9	46.6	8.5	42.8	75.0	13.7	4.5
$7,500-$9,999	68.9	16.7	52.1	52.8	42.5	4.7	47.9	79.0	8.0	7.7
$10,000 or more	71.0	20.2	50.8	51.4	40.8	7.8	48.0	75.7	11.6	10.7

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

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Table IV.8--Percentage of dependent students receiving parental support from parents' savings, by type of savings, when saving began, location of savings, and selected institutional characteristics: Fall 1986

	Kind of savings			Student level when parents began to save			Location of savings			
	Any savings	Ed. use only	Not just for ed.	El. or before	Jr. HS or HS	Later	Child's acct.	Parent's acct.	Life insur.	Trust fund
Cost of attending										
Less than $1,500	32.0	8.3	23.8	45.9	44.2	9.9	45.1	68.7	14.5	3.8
$1,500-$2,999	39.8	10.3	29.5	47.7	42.3	10.0	41.3	71.3	20.1	5.3
$3,000-$5,999	45.1	12.6	32.5	45.7	43.2	11.1	45.9	70.7	10.2	5.2
$6,000-$9,999	48.1	11.6	36.5	48.3	43.3	8.4	47.3	73.7	16.8	8.2
$10,000 or more	49.6	14.3	35.3	46.0	47.3	6.7	42.7	69.4	11.5	7.9
Type of institution										
Public, 4-yr, PhD	50.0	14.3	35.7	49.2	43.3	7.6	48.1	71.0	12.4	7.2
Private-np, 4-yr, PhD	54.9	16.7	38.1	49.3	43.9	6.8	51.6	73.9	10.1	6.4
Public, 4-yr, no PhD	42.2	11.8	30.4	44.5	45.4	10.2	43.4	69.9	15.4	3.1
Private-np, 4-yr, no PhD	45.9	10.0	35.9	49.0	45.7	5.2	42.1	74.2	15.0	8.9
Public, 2-year	32.4	7.9	24.5	44.1	41.1	14.8	38.4	68.2	18.5	4.2
Private-np, lt-4-yr	32.2	6.6	25.6	31.7	44.0	24.3	38.5	67.5	14.4	6.1
Private-fp, lt-4-yr	26.1	6.6	19.5	27.7	56.8	15.5	48.9	64.2	9.3	3.5
Public, lt-2-yr	—	—	—	—	—	—	—	—	—	—
Institutional control										
Public	41.3	11.1	30.1	46.6	42.9	10.5	44.0	70.0	14.9	5.3
Private, nonprofit	48.5	12.5	36.1	48.3	44.8	6.8	46.2	73.8	12.8	7.7
Private, for-profit	26.9	6.5	20.3	27.2	52.7	20.1	46.1	60.9	8.6	3.2
Institution level										
Less-than-2-years	23.2	6.1	17.1	35.8	39.6	24.6	38.4	72.9	13.2	0.8
2 to 3 years	32.3	7.7	24.7	42.6	42.3	15.1	39.2	67.8	17.8	4.4
4 years, no PhD	43.7	11.0	32.7	46.3	45.3	8.5	42.7	71.5	15.2	5.6
4 years, PhD	51.1	14.9	36.3	49.2	43.5	7.4	49.0	71.7	11.8	7.0

—Too few cases for a reliable estimate.

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Loans

Most studies of loans as a means of financing postsecondary education have focused on student borrowing. However, parents sometimes borrow funds themselves to give or lend to their children, especially if their children are not eligible for subsidized loan programs. Parents were asked if they had taken out loans for their child's living and school expenses for the 1987-88 school year and, if so, to indicate the types and amounts. Parents were asked specifically if they had taken out any of the following kinds of loans: federal-sponsored Parent Loans to Undergraduate Student (PLUS), supplemental education loan, state-sponsored parent loan,

school-sponsored parent loan, signature loan, home equity loan, line of credit, loans against life insurance policy, and others.

Fourteen percent of all students had parents who took out some type of loan, with 2 percent having parents who obtained PLUS loans, and 11 percent having parents who obtained loans other than federal, state, or institutional (table IV.9).[11] For those who obtained loans, the average for all loans was $3,986 (figure IV.4). The average PLUS loan was $2,387, and the average in other loans (that is, other than federal, state, or institutional) was $4,468. Note that this 14 percent of students who had parents who borrowed was calculated using all students as the base. It is less than the percentage of the students who had parents who took out loans reported in table IV.1 (24 percent), because the base for the 24 percent was only students who received gifts or loans from their parents, not all students. "All students" is a more appropriate base for these tables because it shows the extent to which parents in general are relying on various loan programs, not just those who actually provided their children with gifts or loans.

Student Characteristics

There were no statistically significant differences in the percentages of students from different racial-ethnic groups whose parents took out loans (table IV.9). However, the average amount borrowed by black students' parents ($2,459) was significantly smaller than the average amount borrowed by white or Asian students' parents ($4,081 and $5,416, respectively).

Students who were under 21 years old were more likely than older students to have parents who borrowed (16 percent compared with 10 percent for students 22-23 years old and only 5 percent for students over 24 years). However, no significant differences existed in the average amounts borrowed.

Students who expected to complete only some college were less likely than students who expected to earn a 4- or 5-year or graduate or advanced professional degree to have parents who borrowed: only 7 percent of these students had parents who borrowed, compared with 14 percent to 17 percent in the other groups' students. When the parents of students who expected to complete only some college borrowed, however, the average amount borrowed was not significantly different from that borrowed by the parents of students with higher educational objectives.

Students who received student financial aid were more likely than students who did not to have parents who borrowed (19 percent compared with 10 percent). However, the amounts borrowed on average were less: $3,660 by parents of students who received aid, compared with $4,625 by parents of students who did not.

Parent Characteristics

The percentage of students with parents who borrowed did not vary significantly by income group. Although the percentages of students from the highest and lowest income groups with parents who borrowed were similar, there was a very large difference in the average amounts borrowed: $6,787 for the highest income group and $2,279 for the lowest (table IV.10).

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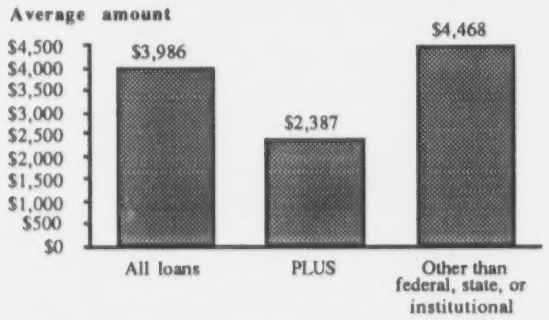
[11]The percentage who obtained any loan is not the sum of the percentages for the other types of loans because parents could have taken out more than one type of loan and not all possible types of loans are shown in this table. Very small percentages of parents took out Supplemental Education (federal), state, and institutional loans.

Figure IV.4--Average amounts of loans assumed by parents who used various types of loans: Fall 1986



SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

The likelihood of borrowing and the amount borrowed did not vary significantly with assets. However, the average amount borrowed did: it was $2,392 at the less than $10,000 asset level and $4,305 at the $50,000 or more level.

Students who received $3,000 or more in parental support were more likely than students who received $500-$2,999 to have parents who took out loans (26 percent to 30 percent compared with 14 percent). When parents provided higher levels of support, the average amount borrowed was much greater: when the level of support was greater than $10,000, the average amount borrowed was $6,020, compared with $4,197 when the level of support was $3,000-$7,499 and $2,245 when the level of support was $500-$2,999.

Institutional Characteristics

Greater likelihood of borrowing was associated with higher cost of attending postsecondary education. When the cost of attending was $10,000 or more per year, 25 percent of the students had parents who obtained loans, when it was in the $6,000-$9,999 range, 21 percent had parents who obtained loans, and when it was in the $3,000-$5,999 range, 16 percent had parents who obtained loans (table IV.11). In contrast, only 5 percent of the students had parents who obtained loans when the cost of attending was less than $1,500, and only 11 percent when the cost of attending was $1,500-$2,999. The average amounts borrowed were similar, however. The only significant difference in the average amount borrowed was between the greater than $10,000 cost of attending category ($5,999) and the $3,000-$5,999 category ($2,996).

Students in private, nonprofit institutions were more likely than students in either public institutions or private, for-profit institutions to have parents who obtained loans (22 percent compared with 12 percent and 14 percent, respectively). The average amount borrowed was also greater than for students in public institutions: $4,928 compared with $3,509.

Students in 4-year institutions were more likely than students in less-than-4 year institutions to have parents who took out loans. Eighteen percent of the students in 4-year institutions had parents who borrowed, whereas only 7 percent of the students in 2- to 3-year institutions and 10 percent of the students in less-than-2-year institutions did. Differences in the average amounts borrowed were not statistically significant.

Table IV.9--Percentage of dependent students receiving parental support from loans assumed by parents and average amount, by type of loan and selected student characteristics: Fall 1986

	Percentage of dependent students with			Average amount*		
	Any loans	PLUS (federal)	Other than federal, state, or institutional	All loans	PLUS (federal)	Other than federal, state, or institutional
Total	14.4	2.2	10.6	$3,986	$2,387	$4,468
Sex						
Male	13.7	2.0	10.1	4,085	2,462	4,615
Female	15.0	2.4	11.1	3,899	2,326	4,340
Race-ethnicity						
Native American	17.9	0.1	17.7	—	—	—
Asian	11.5	1.6	9.3	5,416	—	6,135
Black	13.2	2.0	9.1	2,459	—	2,727
Hispanic	10.5	2.3	6.4	3,259	—	3,926
White	14.9	2.3	11.0	4,081	2,452	4,544
Age						
19 years or younger	16.1	3.0	11.5	3,899	2,384	4,406
20-21 years	16.1	2.0	12.4	4,359	2,353	4,871
22-23 years	10.0	1.0	7.4	3,125	—	3,377
24 years or older	5.2	0.6	4.0	3,484	—	3,684
Level expect to complete						
Vocational	13.3	3.5	8.2	3,685	—	—
Some college	7.3	1.0	5.0	3,553	—	3,976
4- or 5-yr. degree	14.2	1.9	11.0	4,026	2,231	4,309
Master's degree	16.7	2.7	11.7	3,804	2,403	4,561
PhD or adv. prof.	17.3	2.9	13.4	4,707	—	5,174
Received any aid						
Yes	19.2	3.7	13.0	3,660	2,404	4,055
No	9.7	0.7	8.3	4,625	—	5,106

—Too few cases for a reliable estimate.

*Averages were computed using only students whose parents borrowed. In some cells too few students' parents borrowed for a reliable estimate

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Table IV.10--Percentage of dependent students receiving parental support from loans assumed by parents and average amount, by type of loan and selected parent characteristics: Fall 1986

	Percentage of dependent students with			Average amount*		
	Any loans	PLUS (federal)	Other than federal, state, or institutional	All loans	PLUS (federal)	Other than federal, state, or institutional
Marital status						
Single	12.3	2.1	8.7	$3,212	—	$3,456
Married	14.9	2.2	11.2	4,186	2,382	4,688
Other children in postsecondary education						
None	13.6	2.1	10.0	3,919	2,394	4,378
One	16.9	2.8	12.7	4,340	—	4,864
Two or more	24.2	1.2	16.7	3,970	—	4,640
Income						
Less than $12,000	11.5	1.1	8.7	2,279	—	2,331
$12,000-$23,999	12.6	2.2	8.9	3,324	—	3,752
$24,000-$29,999	16.3	1.2	11.1	3,733	—	4,349
$30,000-$49,999	16.7	3.8	12.0	3,715	2,347	4,023
$50,000-$74,999	20.9	1.9	16.0	4,714	—	5,334
$75,000-$99,999	15.2	1.0	13.0	6,125	—	6,859
$100,000 or more	13.1	0.7	11.1	6,787	—	7,808
Assets						
Less than $10,000	8.9	1.4	6.4	2,392	—	2,516
$10,000-$24,999	17.6	2.5	13.7	3,407	—	3,770
$25,000-$49,999	16.1	1.6	12.1	3,263	—	3,386
$50,000 or more	13.3	1.7	9.4	4,305	2,604	5,124
Employment						
Both employed	16.8	2.6	12.0	4,162	2,565	4,738
Neither employed	8.9	0.9	6.9	3,306	—	—
One employed	13.2	1.6	10.9	4,003	2,023	4,319
Level of support (without in-kind)						
Less than $500	13.2	0.3	12.0	—	—	—
$500-$2,999	13.7	1.3	11.3	2,245	—	2,233
$3,000-$7,499	25.6	5.5	16.8	4,197	2,405	4,889
$7,500-$9,999	26.2	3.7	19.7	6,103	—	7,034
$10,000 or more	30.1	4.4	21.3	6,019	—	7,619

—Too few cases for a reliable estimate.

*Averages were computed using only students whose parents borrowed. In some cells too few students' parents borrowed for a reliable estimate

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Table IV.11--Percentage of dependent students receiving parental support from loans assumed by parents and average amount, by type of loan and selected institutional characteristics: Fall 1986

	Percentage of dependent students with			Average amount*		
	Any loans	PLUS (federal)	Other than federal, state, or institutional	All loans	PLUS (federal)	Other than federal, state, or institutional
Cost of attending						
Less than $1,500	5.2	0.6	4.2	$4,117	—	$4,472
$1,500-$2,999	10.5	1.9	8.1	4,113	—	4,359
$3,000-$5,999	15.9	1.4	12.7	2,996	2,559	3,111
$6,000-$9,999	20.7	4.3	14.3	3,623	2,371	4,292
$10,000 or more	25.4	4.8	16.4	5,998	2,230	7,707
Type of institution						
Public, 4-yr, PhD	16.1	1.5	12.7	3,395	—	3,748
Private-np, 4-yr, PhD	23.4	6.0	16.1	5,524	2,041	6,988
Public, 4-yr, no PhD	15.6	2.3	11.8	3,799	—	4,268
Private-np, 4-yr, no PhD	22.3	4.0	15.3	4,532	—	4,989
Public, 2-year	6.3	0.8	5.0	3,401	—	3,630
Private-np, lt-4-yr	10.9	2.9	6.5	3,822	—	5,018
Private-fp, lt-4-yr	15.2	3.2	7.8	3,498	—	3,424
Public, lt-2-yr	—	—	—	—	—	—
Institutional control						
Public	12.1	1.4	9.5	3,509	2,442	3,864
Private, nonprofit	21.9	4.8	15.0	4,928	2,246	5,843
Private, for-profit	14.4	3.0	7.4	3,498	—	3,424
Institution level						
Less-than-2-years	10.2	1.5	4.7	2,910	—	2,174
2 to 3 years	7.1	1.1	5.4	3,504	—	3,774
4 years, no PhD	18.2	3.0	13.1	4,163	2,325	4,609
4 years, PhD	17.8	2.6	13.5	4,059	2,283	4,662

—Too few cases for a reliable estimate.

*Averages were computed using only students whose parents borrowed. In some cells too few students' parents borrowed for a reliable estimate

SOURCE: The 1986-87 National Postsecondary Student Aid Study, Updated Record and Student Questionnaire File, CS 89-312m and Parent Survey Supplement Data File.

Summary

Across student, parent, and institutional characteristics, current income was the most frequently used source of funds for supporting dependent undergraduates—79 percent of the students had parents who used current income. Previously set aside funds were also used extensively, with 65 percent of the students having parents who used such funds. Loans and

additional work were much less important. Younger students (less than 24 years old), students who attended full-time, full-year, students who expected to complete at least a bachelor's degree, and students with financial aid were more likely to have parents who took out loans. The sources of funds used varied with parents' income and assets. Students from the lowest income families were less likely to have parents who used previously set aside funds. High income and assets were associated with a lower likelihood of using loans. The cost of attending was also a factor in determining the source of funds used. At the most expensive institutions, each source was used in a greater percentage of cases.

Overall, less than one-half (42 percent) of the students had parents who had saved to help them with their postsecondary education. Younger students and students who expected to earn bachelor's or graduate degrees were more likely to have parents who saved. High incomes, high assets, and high costs of attending were also associated with a greater likelihood of saving.

Only 14 percent of all students had parents who took out loans. The percentage of students with parents who borrowed did not vary with parent income and asset levels, but did vary by the level of support received. When parents provided higher levels of support, the average amount borrowed was greater as well as the likelihood of borrowing. Greater likelihood of borrowing was also associated with higher costs of attending.

Appendix A

Technical Notes and Methodology

The 1986-87 NPSAS Survey

The need for a nationally representative data base on postsecondary student financial aid prompted the U.S. Department of Education to conduct the 1986-87 National Postsecondary Student Aid Study (NPSAS). To meet these data needs, the NPSAS sample was designed to include students enrolled in all types of postsecondary education. Thus, it included students enrolled in public institutions; private, nonprofit institutions; and private, for-profit institutions. The sample included students at 4-year and 2-year institutions, as well as students enrolled in occupationally specific programs that lasted for less than two years.

The original sample for the 1986-87 NPSAS data collection consisted of 1,353 postsecondary institutions stratified according to the highest program offering level (i.e., 4-year, Ph.D.-granting; 4-year, non-Ph.D.-granting; 2- to 3-year; or less-than-2-year) and institutional control (i.e., public, private nonprofit, or private for-profit). The final institutional sample was reduced to 1,074 after some institutions were found to be ineligible and others refused to participate. The institutional response rate, weighted by the probability of selection and enrollment, was about 95 percent.

A stratified sample of close to 60,000 students was then drawn from the October 1986 records of the institutions included in the institutional sample. For each student in the sample, efforts were made to collect registration and financial aid records from the institution. All student record information collected in the fall semester was later updated during the spring of 1987. This information was supplemented by mail and telephone survey information collected directly from students during the Spring of 1987. In total, the 1986-87 NPSAS record and student questionnaire file contains information on 43,176 students (35,016 undergraduates and 8,160 others). The overall weighted response rate for students percent was 67.2 percent (the product of the institution response rate of 94.6 percent and the student questionnaire response rate of 71.1 percent).

Readers should note that the NPSAS survey is not representative of all students enrolled during the 1986-87 academic year. Rather the survey sample represents all postsecondary students enrolled on October 15, 1986. Students enrolling later in the academic year or in short-term programs not in progress on October 15 were not included and therefore not represented.

A Parent Questionnaire was mailed to the parents or guardians of a subsample of students chosen for participation in the 1986-87 NPSAS data collection. The primary purpose of this survey was to obtain detailed information on the family and economic characteristics of dependent students who did not receive financial aid. In keeping with this purpose, parents of financially independent students who were over 25 years old were omitted from the sample. Questionnaires were sent to the parents or guardians of 27,415 students. The overall weighted parent response rate was 58.2 percent (the product of the institution response rate of 94.6 percent and the parent questionnaire response rate of 61.5 percent).

The estimates in these tables were based on the sample of financially dependent students who were undergraduates in the fall of 1986 and for whom there were both parent and student surveys (7,869). The estimates were calculated using the weight, VADJ_WGT, which was designed to be used when items from both the student and parent surveys are used, as was the case for these tables. There are problems with VADJ_WGT. The 1986-87 NPSAS had three major components: student questionnaires, institution records, and parent questionnaires. While the population of students defined the student questionnaire and institution records population, the parent questionnaire sample was more limited. It was not intended to be a stand-alone sample, but to supplement the student information, especially for younger, unaided, dependent students. Yields from the three sources of data were not uniform—most resources were focused upon student questionnaire and institution records. Lack of resources for the parent questionnaire resulted in

difficulties in obtaining a parent response rate high enough to meet NCES standards. In fact, the estimation of a parent response rate using proper weights is not possible. Unweighted parent response estimates were in the 60–70 percent range. Furthermore, the units of analysis used in this report are parent/student pairs for which both parent and student data are available. The response for these pairs is lower than for either parents alone or students alone.

When the 1986–87 NPSAS public release data file was constructed, the three sources of data were considered for the inclusion of cases. For the overwhelming majority of included cases, the student questionnaire and/or records data were the defining factors. Parent questionnaire data was intended to be supplementary and to be excluded from the public release data file. Hence, the parent weight used in this analysis (VADJ_WGT), was adjusted for student nonresponse, not the typical parent nonresponse. Therefore, the parent data alone cannot estimate parameters for the population of eligible parents; it may only be used in conjunction with student data.

For the 1989–90 and future NPSAS parent data, the above problems are expected to be corrected. The parent samples in these studies is defined only within the yield of the student samples with flagged imputations for parental nonresponse. Hence, parental response rates are known within these studies and for the 1989–90 NPSAS the effective response rate meets NCES standards.

Because of the problems with weights and responses, it was deemed necessary to compare student-based estimates from the analytic file used in this report with equivalent estimates from the full student file for dependent undergraduates. Since the latter file is known to yield valid results, close agreement between the two sets of estimates suggests that the estimates presented in this report are themselves valid. In Table A, the distributions of students by sex, race–ethnicity, enrollment status, level expected to complete, student aid receipt, type of aid (grants, loans, etc.), aid amount, institutional control, institution type, and cost of attending are presented for two groups. For each variable, the distribution of students whose parents completed the parent questionnaire was estimated using the weight used in this analysis (VADG_WGT), and the distribution of all dependent undergraduates was estimated using the student weight (VST_FWGT). As shown in Table A, there was less than one percentage point difference in most cases. Though statistical comparisons, such as the t-tests used in the report, are not possible because these two samples are not independent of each other, these two samples do appear not to differ greatly on any of these characteristics.

For more information on the NPSAS survey, consult *National Postsecondary Student Aid Study Updated Record and Student Questionnaire (1987) Data File User's Manual* (Longitudinal Studies Branch, Postsecondary Education Statistics Division, Washington, D.C.: U.S. Department of Education, National Center for Education Statistics, March 1989) and the *National Postsecondary Student Aid Study Parent Survey Supplement Data File, Data File User's Manual* (Westat, Inc., Washington, D.C., a contractor report prepared for the U.S. Department of Education, National Center for Education Statistics, August, 1988).

Accuracy of Estimates

The statistics in this report are estimates derived from a sample. Two broad categories of error occur in such estimates: sampling and nonsampling errors. The former happen because observations are made only on samples of students, not on entire populations. Nonsampling errors happen not only in sample surveys but also in complete censuses of entire populations.

Table A--Percentage distributions of dependent undergraduate students with parent data and all dependent undergraduate students, by selected demographic, enrollment, financial aid, and institutional characteristics: Fall 1986

	Dependent undergraduates with parent surveys	All dependent undergraduates
Sex		
Male	48.8	48.3
Female	51.2	51.7
Race–ethnicity		
Native American	1.0	0.8
Asian	4.3	5.4
Black	8.3	8.3
Hispanic	5.4	6.5
White	81.0	78.9
Enrollment status		
1st year	37.5	36.6
2nd year	28.5	28.4
3rd year	17.3	17.5
4th or 5th year	16.8	17.5
Level expect to complete		
Vocational	3.9	4.1
Some college	9.8	10.3
4- or 5-yr. degree	43.3	43.3
Master's degree	31.3	30.2
PhD or adv. prof.	11.6	12.1
Received any aid		
Yes	50.3	52.2
No	49.7	47.8
Type of aid		
No grants or loans	9.9	10.7
Grants only	36.3	37.7
Loans only	17.3	16.4
Grants and loans	36.5	35.2
Aid amount		
Less than $1,000	19.3	20.8
$1,000–2,499	24.8	23.8
$2,500–4,999	33.8	34.2
$5,000–9,999	18.1	17.7
$10,000 or more	3.9	3.6
Institutional control		
Public	73.9	74.5
Private, nonprofit	22.0	21.6
Private, for-profit	4.0	3.9

Table A--Percentage distributions of dependent undergraduate students with parent data and all dependent undergraduate students, by selected demographic, enrollment, financial aid, and institutional characteristics: Fall 1986--continued

	Dependent undergraduates with parent surveys	All dependent undergraduates
Institution level		
Less-than-2-years	37.0	36.2
2 to 3 years	28.8	28.4
4 years, no PhD	31.1	32.5
4 years, PhD	3.1	3.0
Cost of attending		
Less than $1,500	21.5	23.0
$1,500–2,999	21.1	22.0
$3,000–5,999	29.3	28.7
$6,000–9,999	16.8	16.1
$10,000 or more	11.2	10.2

Nonsampling errors can be attributed to a number of sources: inability to obtain complete information about all students in all institutions in the sample (some students or institutions refused to participate, or students participated but answered only certain items); ambiguous definitions; differences in interpreting questions; inability or unwillingness to give correct information; mistakes in recording or coding data; and other errors of collecting, processing, sampling, and estimating missing data.

The NPSAS sample, while representative and statistically accurate, is not a simple random sample; instead students were selected from institutions grouped within strata. The sampling rates for institutions within different strata varied. Hence, simple random techniques for estimating standard errors frequently underestimate the true standard errors for some estimates. To overcome this problem, standard errors for all estimates in this tabulation were calculated using Taylor residual techniques.[1] All estimates, standard errors, unweighted N's, and weighted N's are available from the Longitudinal Studies Branch in comma separated form for use with all major spreadsheet software and microcomputers.

To compare estimates for separate subgroups or to understand the quality of the estimates, standard errors are needed. This tabulation presents thousands of estimates, and each has an associated standard error. The standard errors vary in size as a function of sample size and design. Hence, the standard errors of the estimates for some small groups (such as Native Americans) may be so large that the estimates should not be used. However, for the key statistics based on the total group or large subgroups (such as whites, males, and females) the standard errors are reasonable. Selected standard errors are presented in Appendix B; the rest can be provided upon request.

[1]For information on the Taylor Series method, see, for example, Eun Sul Lee, Ronald N. Forthofer, and Ronald J. Lorimer, *Analyzing Complex Survey Data*, (Newbury Park Ca.: Sage Publications, 1989).

Statistical Procedures

The descriptive comparisons in this report were based on **Student's t** statistics. Comparisons based on the estimates of the proportions include the estimates of the probability of a Type I error, or significance level. The significance levels were determined by calculating the **Student's t** values for the differences between each pair of means or proportions and comparing these to published tables of significance levels for two-tailed hypothesis testing.

Student's t values may be computed for comparisons using these tables' estimates with the following formula:

$$t = P_1 - P_2 \; / \; \mathrm{SQRT}\,(se_1^2 + se_2^2)$$

where P_1 and P_2 are the estimates to be compared and se_1 and se_2 are their corresponding standard errors.

A hazard in reporting statistical tests for each comparison is that, when making multiple comparisons among categories of an independent variable, for example, different levels of income, the probability of a Type I error for these comparisons taken as a group is larger than the probability for a single comparison. When more than one difference between groups of related characteristics or "families" is tested for statistical significance, we must apply a standard that assures a level of significance for all of those comparisons taken together.

Comparisons were made in this report only when $p \leq .05 / k$ for a particular pairwise comparison, where that comparison was one of k tests within a family. This guarantees both that the individual comparison would have $p \leq .05$ and that when k comparisons were made within a family of possible tests, the significance level of the comparisons would sum to $p \leq .05$.[2]

For example, in a comparison of enrollment for males and females, only one comparison is possible (males v. females). In this family, $k = 1$, and the comparison can be evaluated with a **Student's t** test. When students are divided into three racial-ethnic groups and all possible comparisons are made, then $k = 3$ and the significance level of each test must be $p \leq .05/3$, or .0167. In this report, when comparisons are made among categories of a variable with three categories, then $k = 3$ and the significance level of each test must be $p \leq .05/3$, or .0167, in order to be considered statistically significant.

The computer programs used to prepare these tabulations produced estimates for subgroups with 30 or more cases (automatically suppressing estimates based on 29 or fewer cases). In the tables showing both percentages and averages, there is sometimes an estimate for the percentage, but no estimate for the average amount. For example, table I.1 shows that 7.63 percent of Native American students received loans from their parents, but shows that there were too few cases for a reliable estimate of the average amount of the loan. The computer calculated the percentage of Native Americans receiving loans because the total number of Native Americans in the sample was

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[2] The standard that $p \leq .05/k$ for each comparison is more stringent than the criterion that the significance level of the comparisons should sum to $p \leq .05$. For tables showing the **t** statistic required to insure that $p \leq .05/k$ for a particular family size and degrees of freedom, see Oliver Jean Dunn, "Multiple Comparisons Among Means," *Journal of the American Statistical Association*, 56: 52-64.

66 (which is greater than 30), but did not calculate the average amount of the loan because fewer than 30 received loans.

For more information or to obtain standard errors, contact Carl M. Schmitt, National Center for Education Statistics, Longitudinal Studies Branch, 555 New Jersey Avenue NW, Washington, DC 20208-5652 (phone 202 219-1772).

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Appendix B

Selected Standard Errors and Unweighted N's

The table below displays the standard errors for the "Total" row associated with each column variable shown in the text tables.

Text Table	*Column Variable*	*Estimate*	*Standard Error*
II.1	Type of support: gift, loan, or in-kind	91.85	.559
	Type of support: gift or loan	74.53	.870
	Type of support: contribution	66.89	1.005
	Type of support: loan	10.99	.695
	Type of support: in-kind	83.42	.631
	Average amount: gift, loan, and in-kind	6,230	103.016
	Average amount: gift and loan	4,239	113.334
	Average amount: gift	3,902	106.880
	Average amount: loan	2,732	157.359
	Average amount: in-kind	3,187	56.893
III.1	All students: actual <75 percent of expected	40.23	1.256
	All students: actual 75-124 percent of expected	21.84	.884
	All students: actual ≥ 125 percent	37.93	1.098
	Low income: actual <75 percent of expected	43.55	2.845
	Low income: actual 75-124 percent of expected	16.09	1.914
	Low income actual ≥ 125 percent	40.36	2.486
	Medium income: actual <75 percent of expected	43.26	1.829
	Medium income: actual 75-124 percent of expected	21.00	1.329
	Medium income: actual ≥ 125 percent	35.74	1.837
	High income: actual <75 percent of expected	30.21	1.680
	High income: actual 75-124 percent of expected	30.48	1.712
	High income: actual ≥ 125 percent	39.31	1.710
IV.1	Current income	79.43	.821
	Previously set aside	64.84	1.110
	Loans	24.00	.936
	Additional work	29.64	1.072
IV.6	Kind of savings: any	42.28	1.076
	Kind of savings: educational use only	11.24	.593
	Kind of savings: not just for education	31.04	.906
	When began saving: elementary school or before	46.53	1.467
	When began saving: junior high or high school	43.65	1.380
	When began saving: later	9.82	1.089
	Location of savings: accounts/assets in child's name	44.60	.870
	Location of savings: accounts/assets in parent's name	70.73	.996
	Location of savings: life insurance	14.23	.945
	Location of savings: trust fund	5.85	.529
IV.9	Type of loan: any loan	14.37	.748
	Type of loan: PLUS	2.18	.322
	Type of loan: other	10.60	.644
	Average amount: all loans	3,986	229.900
	Average amount: PLUS	2,387	101.849
	Average amount: other	4,468	282.334

The table below shows the unweighted n's for each of the row variables used in the tables in this report.

Row Variable	*Unweighted N*
Student Characteristics	
Sex	
Male	3,814
Female	4,055
Race–ethnicity	
Native American	45
Asian	281
Black	561
Hispanic	345
White	6,637
Age	
19 years or younger	3,397
20-21 years	2,725
22-23 years	1,211
24 years or older	536
Marital status	
Married	256
Single	7,613
Attendance status	
Full-time, full-year	6,070
Part-time, full-year	780
Part-year	1,015
Enrollment status	
1st year	2,768
2nd year	2,064
3rd year	1,374
4th or 5th year	1,463
Level expect to complete	
Vocational	441
Some college	648
4- or 5-yr. degree	3,109
Master's degree	2,483
PhD or adv. prof.	1,018
Received any aid	
Yes	4,476
No	3,393
Type of aid	
No grants or loans	436
Grants only	1,369
Loans only	581
Grants and loans	1,007

Aid amount	
Less than $1,000	726
$1,000–2,499	757
$2,500–4,999	1,150
$5,000–9,999	597
$10,000 or more	154
Parent characteristics	
Marital status	
Single	1,289
Married	6,492
Other children in postsecondary education	
None	6,271
One	1,249
Two or more	349
Income	
Less than $12,000	774
$12,000-23,999	862
$24,000-29,999	636
$30,000-49,999	2,237
$50,000-74,999	1,384
$75,000-99,999	420
$100,000 or more	488
Assets	
Less than $10,000	867
$10,000-24,999	433
$25,000-49,999	891
$50,000 or more	4,334
Employment	
Both employed	3,870
Neither employed	454
One employed	2,286
Type of parental support for student	
No gift of loan	1,670
Gifts only	4,834
Loans only	121
Gifts and loans	848
Level of support (without in-kind)	
Less than $500	249
$500-2,999	1,564
$3,000-7,499	2,482
$7,500-9,999	856
$10,000 or more	2,016
Institutional characteristics	
Institutional control	
Public	4,379
Private, nonprofit	2,860
Private, for-profit	630

Institution level	
Less-than-2-years	3,215
2 to 3 years	2,476
4 years, no PhD	1,667
4 years, PhD	511
Cost of attending	
Less than $1,500	1,045
$1,500–2,999	1,512
$3,000–5,999	2,341
$6,000–9,999	1,592
$10,000 or more	1,209

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